DRAFT RED HERRING PROSPECTUS
Dated: October 4, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

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

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams...

ASIRVAD MICRO FINANCE LIMITED

CORPORATE IDENTITY NUMBER: U65923TN2007PLC064550

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
9th Floor, No. 9, Club House Road, Anna Salai, Chennai 600 002, Tamil Nadu, India	2nd Floor, W - 4/ 638 A Manappuram House, P.O. Valapad, Thrissur 680 567, Kerala, India	Aparna Menon, *Company Secretary and Compliance Officer*	**Email:** sec@asirvad.in **Telephone:** +91 48 7305 0285	www.asirvadmicrofinance.co.in

THE PROMOTER OF OUR COMPANY: MANAPPURAM FINANCE LIMITED

DETAILS OF THE ISSUE TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIB, RIB AND NIB
Fresh Issue	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹15,000 million	Not applicable	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹15,000 million.	The Issue is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), as Company did not fulfill requirement under Regulation 6(1)(a) and Regulation 6(1)(b) of SEBI ICDR Regulations, of maintaining not more than 50% of the net tangible assets in monetary assets; and maintaining operating profits in each of the preceding three financial years, respectively. For further details, see *“Other Regulatory and Statutory Disclosures – Eligibility for the Issue”* on page 433. For details in relation to the share reservation among QIBs, RIBs and NIBs, see “*Issue Structure*” beginning on page 461.

DETAILS OF OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)
Not Applicable			

RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price as determined by our Company, in consultation with the Book Running Lead Managers (“**BRLMs**”), on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in *“Basis for Issue Price”* beginning on page 93 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have neither been recommended, nor approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 25.

COMPANY'S 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 Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**"). For the purposes of the Issue, [●] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAMES AND LOGOS OF THE BRLMS		CONTACT PERSON	TELEPHONE AND E-MAIL
JM FINANCIAL	JM Financial Limited	Prachee Dhuri	**Tel**: +91 22 6630 3030 **E-mail:** amfl.ipo@jmfl.com
kotak® Investment Banking	Kotak Mahindra Capital Company Limited	Ganesh Rane	**Tel**: +91 22 4336 0000 **E-mail:** asirvadmicrofinance.ipo@kotak.com
NOMURA	Nomura Financial Advisory and Securities (India) Private Limited	Vishal Kanjani / Arun Narayana	**Tel**: +91 22 4037 4037 **E-mail:** asirvadipo@nomura.com
SBICAPS Complete Investment Banking Solutions	SBI Capital Markets Limited	Karan Savardekar / Sambit Rath	**Tel**: +91 22 4006 9807 **E-mail:** asirvadmicrofinance.ipo@sbicaps.com

REGISTRAR TO THE ISSUE

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
Link Intime India Private Limited	Shanti Gopalkrishnan	**Tel**: +91 81 0811 4949 **E-mail:** asirvadmf.ipo@linkintime.co.in

BID/ ISSUE PERIOD

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

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

(2) *Our Company in consultation with the BRLMs, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue 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/Issue Closing Day.*

DRAFT RED HERRING PROSPECTUS
Dated: October 4, 2023
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

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams...

ASIRVAD MICRO FINANCE LIMITED

Our Company was incorporated as 'Asirvad Micro Finance Private Limited' at Chennai, Tamil Nadu as private limited company under the Companies Act, 1956, and a certificate of incorporation was granted by the Assistant Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Island on August 29, 2007. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on August 24, 2016 and consequently, the name of our Company was changed to 'Asirvad Micro Finance Limited' and a fresh certificate of incorporation was issued by the RoC on September 1, 2016. The RBI granted a certificate of registration dated December 14, 2007 bearing no. N-07-00769 to our Company, for registration as an NBFC under Section 45-IA of the Reserve Bank of India Act, 1934. The RBI has granted NBFC-MFI status to our Company with effect from October 4, 2013, pursuant to an endorsement on our certificate of registration dated September 27, 2016. For further details in relation to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 235.

Registered Office: 9th Floor, No. 9, Club House Road, Anna Salai, Chennai, 600 002, Tamil Nadu, India | **Corporate Office:** 2nd Floor, W - 4/ 638 A Manappuram House, P.O. Valapad, Thrissur 680 567, Kerala, India
Tel: +91 48 7305 0285; **Website:** www.asirvadmicrofinance.co.in
Contact person: Aparna Menon, Company Secretary and Compliance Officer; **E-mail:** sec@asirvad.in
Corporate Identity Number: U65923TN2007PLC064550

THE PROMOTER OF OUR COMPANY: MANAPPURAM FINANCE LIMITED

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF ASIRVAD MICRO FINANCE LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹15,000 MILLION ("FRESH ISSUE" OR THE "ISSUE")

OUR COMPANY IN CONSULTATION WITH THE BRLMs, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S) FOR A CASH CONSIDERATION AGGREGATING UP TO ₹3,000 MILLION, AT ITS DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE ISSUE COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR")

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A TAMIL DAILY NEWSPAPER (TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

This Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process and is in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein in terms of Regulation 32(2) of the SEBI ICDR Regulations, not less than 75% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**") provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which at least one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Issue 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 ₹0.20 million and up to ₹1.00 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1.00 million, 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 more than 10% of the Issue shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) (*as defined hereinafter*) in which the Bid amount will be blocked by the SCSBs or the Sponsor Banks, as applicable, to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Issue through the ASBA process. For details, see "*Issue Procedure*" beginning on page 464.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price as determined by our Company in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "*Basis for Issue Price*" beginning on page 93 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have neither been recommended, nor approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 25.

COMPANY'S 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 Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 487.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
JM FINANCIAL	kotak® Investment Banking	NOMURA	SBICAPS Complete Investment Banking Solutions	LINKIntime
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel**: +91 22 6630 3030 **E-mail**: amfl.ipo@jmfl.com **Investor grievance e-mail**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.**: INM000010361	**Kotak Mahindra Capital Company Limited** 27 BKC, 1st Floor, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Maharashtra, India **Tel**: +91 22 4336 0000 **E-mail**: asirvadmicrofinance.ipo@kotak.com **Investor grievance e-mail**: kmccredressal@kotak.com **Website**: https://investmentbank.kotak.com **Contact Person**: Ganesh Rane **SEBI Registration No.**: INM000008704	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F Shivsagar Estate, Dr. Annie Besant Road Worli, Mumbai – 400 018 Maharashtra, India **Tel**: +91 22 4037 4037 **E-mail**: asirvadipo@nomura.com **Investor grievance e-mail**: investorgrievances-in@nomura.com **Website**: www.nomuraholdings.com/company/group/asia/india/index.html **Contact Person**: Vishal Kanjani / Arun Narayana **SEBI Registration Number**: INM000011419	**SBI Capital Markets Limited** 1501, 15th Floor, A & B Wing Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4006 9807 **E-mail**: asirvadmicrofinance.ipo@sbicaps.com **Investor grievance e-mail:** investor.relations@sbicaps.com **Website:** www.sbicaps.com **Contact Person**: Karan Savardekar / Sambit Rath **SEBI Registration No.**: INM000003531	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083 Maharashtra, India **Tel**: +91 81 0811 4949 **E-mail**: asirvadmf.ipo@linkintime.co.in **Investor grievance e-mail**: asirvadmf.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

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

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

(*This page is intentionally left blank)*

TABLE OF CONTENTS

SECTION I: GENERAL ... 1

DEFINITIONS AND ABBREVIATIONS ... 1
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION ... 14
FORWARD-LOOKING STATEMENTS ... 17
ISSUE DOCUMENT SUMMARY ... 19

SECTION II: RISK FACTORS ... 25

SECTION III: INTRODUCTION ... 59

THE ISSUE ... 59
SUMMARY OF FINANCIAL INFORMATION ... 61
GENERAL INFORMATION ... 66
CAPITAL STRUCTURE ... 74
OBJECTS OF THE ISSUE ... 89
BASIS FOR ISSUE PRICE ... 93
STATEMENT OF SPECIAL TAX BENEFITS ... 119

SECTION IV: ABOUT OUR COMPANY ... 124

INDUSTRY OVERVIEW ... 124
OUR BUSINESS ... 187
KEY REGULATIONS AND POLICIES ... 221
HISTORY AND CERTAIN CORPORATE MATTERS ... 235
OUR MANAGEMENT ... 240
OUR PROMOTER AND PROMOTER GROUP ... 260
OUR GROUP COMPANIES ... 264
DIVIDEND POLICY ... 268
SELECTED STATISTICAL INFORMATION ... 269

SECTION V: FINANCIAL INFORMATION ... 301

RESTATED FINANCIAL INFORMATION ... 301
OTHER FINANCIAL INFORMATION ... 380
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ... 381
CAPITALISATION STATEMENT ... 417
FINANCIAL INDEBTEDNESS ... 418

SECTION VI: LEGAL AND OTHER INFORMATION ... 422

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS ... 422
GOVERNMENT AND OTHER APPROVALS ... 431
OTHER REGULATORY AND STATUTORY DISCLOSURES ... 433

SECTION VII: ISSUE INFORMATION ... 456

TERMS OF THE ISSUE ... 456
ISSUE STRUCTURE ... 461
ISSUE PROCEDURE ... 464
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES ... 482

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION ... 484

SECTION IX: OTHER INFORMATION ... 487

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION ... 487

DECLARATION ... 489

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined herein but used in "Basis for Issue Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Restated Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Issue Procedure" and "Description of Equity Shares and Terms of Articles of Association" beginning on pages 93, 119, 124, 221, 235, 301, 418, 422, 433, 464 and 484, respectively, shall have the meanings ascribed to such terms in the relevant sections.

General Terms

Term	Description
"our Company" or "the Company"	Asirvad Micro Finance Limited, a public limited company incorporated under the Companies Act, 1956 with its Registered Office at 9th Floor, No. 9, Club House Road, Anna Salai, Chennai 600 002, Tamil Nadu, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of our Board – Audit Committee*" on page 248
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof where applicable or implied by context
Chairman & Non-Executive and Non – Independent Director	Chairman & non-executive and non–independent director of our Company, namely, Vazhappully Padmanabhan Nandakumar
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Rajesh K R N Namboodiripad
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, namely, Aparna Menon
Corporate Office	The corporate office of our Company situated at 2nd Floor, W - 4/ 638 A Manappuram House, P.O. Valapad, Thrissur 680 567, Kerala, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management – Committees of the Board – Corporate Social Responsibility Committee*" on page 253
Director(s)	Directors on our Board
Equity Shares	Equity shares of face value of ₹10 each of our Company
ESOS 2011	Employee Stock Option Scheme, 2011
ESOS 2019	Asirvad Micro Finance Limited Employee Stock Option Scheme 2019
Executive Director(s)	Executive director(s) of our Company
Group Companies	The group companies of our Company in accordance with the SEBI ICDR Regulations, namely Adlux Medicity and Convention Centre Private Limited; Infomerics Valuation and Rating Private Limited; Manappuram Comptech and Consultants Limited; Manappuram Health Care Limited; Manappuram Insurance Brokers Limited; Proficient Investment and Financial Consultancy Private Limited; and Vivriti Capital Limited, as described in "*Our Group Companies*" beginning on page 264
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*" beginning on page 240
IPO Committee	The IPO committee of our Board, as described in "*Our Management – Committees of the Board - IPO Committee*" on page 254

Term	Description
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management - Key Managerial Personnel*" on page 256
"Managing Director" or "MD"	Managing Director of our Company, namely, Blangat Narayanan Raveendra Babu
"Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of the Board - Nomination and Remuneration Committee*" on page 250
Non-Executive Director(s)	Non-executive directors on our Board, as described in "*Our Management*" beginning on page 240
Non-Independent Director(s)	Non-independent director(s) on our Board, described in "*Our Management*" beginning on page 240
"Promoter" or "MAFIL"	The Promoter of our Company, namely, Manappuram Finance Limited
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoter and Promoter Group*" beginning on page 260
Registered Office	9th Floor, No. 9, Club House Road, Anna Salai, Chennai, 600 002, Tamil Nadu, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Tamil Nadu at Chennai
Restated Financial Information	The restated financial information of our Company as at and for the three months period ended June 30, 2023 and June 30, 2022 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprise of the restated statement of assets and liabilities as at June 30, 2023, June 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the three months period ended June 30, 2023, June 30, 2022, and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2023 and March 31, 2022; special purpose Ind AS financial statements for the year ended March 31, 2021 and special purpose interim Ind AS financial statements for the three months period ended June 30, 2023 and June 30, 2022, together with the annexures and notes thereto prepared in accordance with Ind AS (except that they do not contain comparative information and related disclosures and explanatory notes for the three months period ended June 30, 2022 and for the year ended March 31, 2021) and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations 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 constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of the Board – Risk Management Committee*" on page 252
"Senior Management Personnel" or "SMP"	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "*Our Management – Senior Management Personnel*" on page 256
SPA I	Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, Nalini Hari, S. Hari, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan, S.V. Krishnamurthy, Hemalathaa K Murthy, Sharadh Krishnamurthy, Janani Krishnamurthy, K. Sethuraman (jointly held with Sushila Sethuraman), Lok Capital LLC, G. Srikanth, S. Gopinath, Tolerance Samuel M. P., Muthukumar, Shylasree Padmanabham, Sabarinathan T., Suthakaran K, Thangappan V, Rajasekaran NRK, Ramesh T, Gunaseelan S, Chellapandi S, Rajendran M, Krishnamoorthy S, Ayyanar K, Muthurmalingam R, Mahesh Kannan K, Rajasekar K, Nethaji K, Lakshmi Narayanan, R Premkumar Thambiraj, Ravikumar N., J Kannan, Santhakumar D, Parthasarathi C., Raghavender Anand, S. Ganesan, S Ragothaman (jointly held with Usha Ragothaman and MAFIL
SPA II	Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan, S.V. Krishnamurthy, Hemalathaa K. Murthy, Sharadh Krishnamurthy, Janani Krishnamurthy, K. Sethuraman, Sushila Krishnamurthy and MAFIL.
SPA III	Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, MAFIL and Lok Capital LLC
"SSSA" or "Share Subscription and Shareholders' Agreement"	The share subscription and shareholders' agreement dated February 12, 2015 entered into between and amongst our Company, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan and MAFIL, as amended pursuant to deed of amendment dated March 17, 2016.
SSSA Termination Agreement	The agreement dated September 22. 2023 entered into between the parties to SSSA for termination of the SSSA.
Shareholder(s)	The shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of the Board - Stakeholders' Relationship Committee*" on page 252
"Statutory Auditors" or "Auditors"	The current statutory auditors of our Company, namely, M. P. Chitale & Co., Chartered Accountants

Issue Related Terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus who has Bid for an amount of at least ₹100.00 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Issue Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors 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 accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked by the SCSB upon acceptance of the UPI Mandate Request by UPI Bidders
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an UPI Bidders which is blocked upon acceptance of a UPI Mandate Request in relation to a Bid made by the UPI Bidders
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Issue	Collectively, Escrow Collection Bank(s), Public Issue Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure*" beginning on page 464
Bid(s)	Indication to make an offer during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for 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
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil daily newspaper [●] (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation.

Term	Description
	Our Company in consultation with the BRLMs, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by notifying on the websites of the BRLMs and at the terminals of the Syndicate Members and communicating to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil daily newspaper [●] (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company in consultation with the Book Running Lead Managers may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
"Bidder" or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
"Book Running Lead Managers" or "BRLMs"	Book running lead managers to the Issue, namely, JM Financial Limited, Kotak Mahindra Capital Company Limited, Nomura Financial Advisory and Securities (India) Private Limited and SBI Capital Markets Limited
Broker Centres	Centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Issue Period
Cap Price	Higher end of the Price Band, i.e. ₹[●] per Equity Share, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor banks agreement to be entered into amongst our Company, the BRLMs, the Bankers to the Issue, the Syndicate Member(s) and Registrar to the Issue for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refund of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI RTA Master Circular, and the UPI Circulars issued by SEBI and the Stock Exchanges as per the list available on the websites of the Stock Exchanges, as updated from time to time
CRISIL	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
CRISIL Report	The report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry*" dated September 2023 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated July 6, 2023, exclusively for the purposes of the Issue. The CRISIL Report is available on the website of our Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry_Report.pdf
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details, PAN and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at

Term	Description
	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Issue
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Issue. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion and HNIs bidding with an application size of up to ₹0.50 million (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated October 4, 2023 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 Issue, including any addenda or corrigenda thereto
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of the applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue 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
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
"First Bidder" or "Sole Bidder"	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, i.e. ₹[●] per Equity Share, subject to any revision(s) thereto, not being less than the face value of the Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Fresh Issue" or "Issue"	Fresh issue of up to [●] Equity Shares aggregating up to ₹15,000 million by our Company. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of the SCRR
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Term	Description
"General Information Document" or "GID"	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, the UPI Circulars, as amended from time to time. The General Information Document shall be available on the website of the Stock Exchanges, and the Book Running Lead Managers
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
Issue Agreement	The issue agreement dated October 4, 2023 entered into amongst our Company and the BRLMs, as required under the SEBI ICDR Regulations pursuant to which certain arrangements have been agreed upon in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price which will be decided by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Issue Proceeds	The proceeds of the Fresh Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see "*Objects of the Issue*" beginning on page 89
JMFL	JM Financial Limited
Kotak	Kotak Mahindra Capital Company Limited
Materiality Policy	The policy adopted by our Board in its meeting dated September 22, 2023 for determining identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus
Monitoring Agency	[●], being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement dated [●] to be entered into between and amongst our Company and the Monitoring Agency
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Net Proceeds	The proceeds of the Fresh Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" beginning on page 89
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
"Non-Institutional Bidders" or "NIBs"	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI, that are not QIBs (including Anchor Investors) or RIBs and who have Bid for Equity Shares for an amount of more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Issue comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price, in the following manner: (a) One-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million; and (b) Two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Non-debt Instruments Rules
Pre-IPO Placement	Our Company in consultation with the BRLMs, may consider a further issue of specified securities as may be permitted under applicable law to any person(s) for a cash consideration aggregating up to ₹3,000 million, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR
Price Band	Price band of a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation and will be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which, our Company in consultation with the BRLMs will finalise the Issue Price
Prospectus	Prospectus dated [●] 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 Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Issue Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date

Term	Description
Public Issue Account Bank(s)	The bank(s) which is a clearing member and which is registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this 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
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs, up to a limit of 60% of the QIB Portion), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price
"Red Herring Prospectus" or "RHP"	Red herring prospectus dated [●] to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated October 3, 2023 entered into amongst our Company, the Registrar to the Issue and Registrar to the Company in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations, in terms of the SEBI RTA Master Circular, as per the list available on the websites of the Stock Exchanges, and the UPI Circulars
Registrar to the Company	S.K.D.C. Consultants Limited
"Registrar to the Issue" or "Registrar"	Link Intime India Private Limited
Resident Indian	A person resident in India, as defined under FEMA
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Issue being not more than 10% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/Issue Closing Date
SBICAPS	SBI Capital Markets Limited
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is available on to the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on the SEBI website
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Banks	[●] and [●], being the Bankers to the Issue registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars
Sub Syndicate	The sub syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement dated [●] to be entered into amongst our Company, the BRLMs, the Syndicate Members and the Registrar, in relation to collection of Bids by the Syndicate
Syndicate Member(s)	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●]

Term	Description
Underwriters	[●]
Underwriting Agreement	The underwriting agreement dated [●] to be entered into amongst our Company and the Underwriters on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders Bidding in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹0.50 million, Bidding in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹0.50 million shall use UPI Mechanism and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 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, read along with SEBI RTA Master Circular, SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. 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 master circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Issue
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Technical, Industry Related Terms or Abbreviations

Term	Description
Active Borrowers Per Branch	Active Borrowers Per Branch is the ratio of total active borrowers to the number of branches
ALM	Asset-liability management
AM	Area manager
AML	Anti-money laundering
API	Application Programming Interface
AUM	Assets under management. AUM represents aggregate of On- Books Portfolio and assets pertaining to direct assignment and securitisation as of the last day of the relevant period.
AUM/ Net Worth	AUM/ Net Worth is calculated as AUM as of the last day of the relevant period, divided by Net Worth as of the last day of the relevant period

AUM Growth	AUM Growth represent the percentage of change in AUM as of the last day of the relevant period and that as of the last day of the previous period
AUM Mix	AUM Mix (Gross outstanding loan portfolio) represents the loan product wise split of AUM
AUM Per Branch	AUM Per Branch is the ratio of AUM to the number of branches
AUM Per Employee	AUM Per Employee represents AUM as of the last day of the relevant period divided by the number of on roll employees
AUM Share in Top 3 states	AUM Share in Top 3 states represents the AUM in top three states as a percentage of total AUM
Average Cost of Borrowings	Average Cost of Borrowings represents finance cost (including collateralized borrowings) for the relevant period as a percentage of Average Borrowings in such period. Average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding quarter. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.
Average Ticket Size	Average Ticket size – microfinance loans represents the microfinance loan amounts disbursed during the relevant period, divided by the number of loans
Basic Earnings Per Equity Share	Basic earnings per equity share is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)
BM	Branch manager
CAGR	Compound annual growth rate
Capital Adequacy Ratio	The capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI)
CGT	Comprehensive group training
Collection Efficiency	Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant year/ period
Cost of borrowing	Cost of borrowings is calculated as interest expense divided by average of total borrowings
Cost to income Ratio	Cost to income Ratio is calculated as operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total income less finance costs for the relevant period
CPSE	Central public sector enterprise
CRAR	Capital to risk weighted assets ratio
Credit Cost Ratio	Credit Cost Ratio represents our Credit Cost for a period to the Average AUM for the period represented as a percentage
Credit rating	Credit rating indicates an independent assessment of the creditworthiness of our Company.
Debt to Equity Ratio	Debt to equity ratio represents the total borrowings less cash and cash equivalents divided by total equity attributable to shareholders as of the last day of the relevant period. Total borrowings represents the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant period
Diluted Earnings Per Equity Share	Diluted earnings per equity share is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)
DPD	Days past due
ECL	Expected credit loss
ED	Enforcement Directorate
FDA	Field development assistant
GDP	Gross domestic product
GDS	Gross domestic savings
Gross Disbursement - Microfinance loans	Gross Disbursement – Microfinance loans represent the aggregate of all microfinance loan amounts extended our borrowers in the relevant period
Gross Disbursement Growth – Microfinance loans	Gross Disbursement Growth – Microfinance loans represents growth in microfinance loan disbursements for the relevant period as a percentage of disbursements for the previous period
Gross Disbursement Per Branch	Gross Disbursement Per Branch represents the aggregate of all loan amounts extended to all our borrowers, per branch for the relevant period
Gross Disbursement Per Employee	Gross Disbursements Per Employee is the ratio of gross disbursements to the number of employees
Gross NPA Ratio	Gross NPA Ratio represents the Gross NPA to the On-books Loan Portfolio as of the last day of the relevant period. Gross NPA represents On Books Loan Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time
GRT	Group recognition test
HFC	Housing finance company
IMF	International Monetary Fund
IRACP	Income recognition, asset classification and provisioning norms
JLG	Joint liability group
KYC	Know Your Customer
LGD	Loss given default
LMS	Loan management system
Loan against Gold	Loans secured with gold jewellery as collateral
LOS	Loan origination system
LTV	Loan-to-value

MFI Peer Group	Top 10 NBFC-MFIs in India in terms of AUM as of March 31, 2023, as provided in the CRISIL Report
MSME Loans	Loans extended to micro, small and medium enterprises, small businesses, among others
NBFC-MFI	Non Banking Finance Company – Microfinance Institution
NCD	Non-convertible debentures
Net Asset Value Per Equity Share	Net Asset Value per equity share represents Net Worth as of the last day of the relevant period divided by number of equity shares outstanding as of the last day of the relevant period
Net NPA Ratio	Net NPA Ratio represents Net NPA to On-book Portfolio reduced by ECL on NPAs as of the last day of the relevant period. Net NPA represents Gross NPA reduced by NPA provision made against these loans as of the last day of relevant reporting period
Net Worth	Net Worth represents the sum of equity share capital and other equity as of the last day of the relevant period
"NIM" or "Net Interest Margin"	NIM or net interest margin, represents the net interest income on the loans for a period to the average AUM for the period, represented as a percentage. Average, where applicable, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding quarter. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.
NOF	Net owned funds
NPA	Non-performing assets
Number of Active Borrowers - Microfinance loans	Number of Active Borrowers – Microfinance loans refers to our microfinance loan borrowers who had an active microfinance loan account as of the last day of the relevant period
Number of Active Borrowers Growth - Microfinance loans	Number of active borrowers growth - Microfinance loans refers to growth in the number of microfinance loan borrowers as of the last day of the relevant period as a percentage of the number of microfinance loan borrowers as of the last day of the previous period
Number of Branches – Microfinance loans	Number of Branches – Microfinance loans represents the aggregate number of our microfinance loan branches as of the last day of relevant period.
Number of Districts	Number of Districts represents the number of total districts in which we are active and has branches
Number of Loans Disbursed	Number of Loans Disbursed represents the aggregate number of loans disbursed during the relevant period
Operating Expenses / Average AUM (%)	Operating Expenses to Average AUM represents operating expenses for the relevant period upon the simple average of our AUM. Average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding year. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.
Opex ratio	Operating expenses ratio is calculated as the sum of employee benefit expenses, depreciation expenses and other expenses, divided by average total assets on book
OSV	Original seen and verified
PAR	Portfolio at risk
PLI	Production Linked Incentive
PPOP	Pre Provision Operating Profit, whichis calculated as the sum of profit before tax for the relevant periods and impairment on financial instruments for such periods
Pre Provision Operating Profit Growth	Pre Provision Operating Profit Growth represents the sum of profit before tax for the relevant periods and impairment on financial instruments for such periods compared with the previous year
Profit/Loss After Tax	Profit (Loss) After Tax represents our profit / (loss) for the year/ period (after tax) as per our Restated Financial Statements for the relevant year/ period.
Provision Coverage Ratio	Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.
Ratio of Restructured Portfolio to On- Books Portfolio	Ratio of Restructured Portfolio to On-Books Loan Portfolio represents the ratio of total outstanding portfolio held by our Company on the last day of the relevant year which have been restructured according to the directions of the RBI to On-Books portfolio as of last day of the relevant year.
Repeat Loan Accounts	Repeat loan accounts represents the number of microfinance loan borrowers who have taken one or more additional microfinance loans from us after taking their initial microfinance loan
Return on Average Net Worth	Return on Average Net Worth represents the ratio of Net Profit attributable to equity holders to our annual average of net worth. Our annual average of net worth is the simple average of our net worth as of March 31/ June 30 of the relevant year / period and our net worth as of March 31 of the preceding year.
Return on Average Total Assets	Return on Average Total Assets represents net profit / (loss) against total assets of our Company as of the last day of the relevant period
RM	Regional Manager
ROA	Return on assets, calculated as profit after tax divided by average of total assets on book
ROE	Return on equity, calculated as profit after tax divided by average net worth
ROI	Return on investment
SFB	Small finance bank
Spread	Spread represents average yield on On-Books Portfolio less average cost of borrowings including collateralized borrowings.

	Average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding quarter. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022
Tier I Capital	Tier I Capital includes (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual noncumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI
Tier I Capital Ratio	Tier I Capital Ratio represents the ratio of Tier I Capital to total risk weighted assets. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI
Tier II Capital	Tier II capital include undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier I Capital
Tier II Capital Ratio	Tier II Capital represents the ratio of Tier II Capital as a percentage of risk weighted assets. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI
Total Assets	Total Assets represents the total assets as of the last day of the relevant period
Total Borrowings	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
TLTRO	Targeted long-term repo operations
Yield on advances	Yield on advances represents interest earned on loans and advances, divided by average of advances on book
Yield on Average On-Books Portfolio	Yield on Average On-Books Portfolio represents the ratio of interest income on loan assets for a period to the average of On-Books Portfolio. Average, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding quarter. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIFs	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
BSE	BSE Limited
Category I AIFs	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIFs	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIFs	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules made thereunder
CPC	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. EBITDA is calculated as restated profit for the year plus total tax expenses, depreciation and amortisation expenses, and finance costs
ECBs	External commercial borrowings

Term	Description
ED	The Directorate of Enforcement, Ministry of Finance, Government of India
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
Financial Year/ Fiscal/ FY/ Fiscal Year	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPC	Indian Penal Code, 1860, as amended
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
KYC	Know your customer
LEI	Legal Entity Identifier
MCA	Ministry of Corporate Affairs
MCLR	Marginal Cost of Funds Based Lending Rate
Microfinance Loans Directions	Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, dated March 14, 2022
MSMEs	Micro, Small, and Medium Enterprises
Mutual Fund(s)	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A	Not applicable
"NAV" or "Net Asset Value"	Net asset value
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company
"NBFC-ND-SI" or "Systemically Important NBFCs"	A non-banking financial company registered with the Reserve Bank of India and recognised as systemically important non-banking financial company by the Reserve Bank of India
NCD	Non-convertible debentures
NEFT	National Electronic Funds Transfer
NI Act	Negotiable Instruments Act, 1881, as amended
NPCI	National Payments Corporation of India
NRE	Non-Resident External
NRI	Individual resident outside India, who is a citizen of India
NRO	Non Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number

Term	Description
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBIA	Risk-based internal audit
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
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, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Master Circular	SEBI master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094, dated June 21, 2023
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations, as amended
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
U.S. Investment Company Act	United States Investment Company Act of 1940, as amended
USD/US$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

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

Certain Conventions

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

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

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

Financial Data

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

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

The financial data in this Draft Red Herring Prospectus is derived from the restated statement of assets and liabilities as at June 30, 2023, June 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the three months period ended June 30, 2023 and June 30, 2022, and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2023 and March 31, 2022; special purpose Ind AS financial statements for the year ended March 31, 2021 and special purpose interim Ind AS financial statements for the three months period ended June 30, 2023 and June 30, 2022, together with the annexures and notes thereto prepared in accordance with Ind AS (except that they do not contain comparative information and related disclosures and explanatory notes for the three months period ended June 30, 2022 and for the year ended March 31, 2021) and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.

For further information, see "*Restated Financial Information*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages , 301, 380 and 381, respectively.

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

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

Unless the context otherwise indicates, any percentage amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 187 and 381, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP measures relating to our financial performance, such as pre-provision operating profit, net worth, average net worth, net interest income, average borrowing, return on net worth, return on average net worth, debt to equity ratio, net asset value per Equity Share, operating expenses, impairment on financial assets, impairment on loan portfolio to average gross loan portfolio, return on total assets, return on equity, cost to income ratio, credit cost to average total assets, AUM (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, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures 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 "Risk Factor – We have in this Draft Red Herring Prospectus included certain non-GAAP 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 that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Other Financial Information"* on pages 50, 381 and 380, respectively.

Currency and Units of Presentation

All references to:

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

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

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

Exchange Rates

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

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

Currency	As at				
	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.04	78.94	82.22	75.81	73.50
1 Euro	89.13	82.58	89.61	84.66	86.10

Source: www.rbi.org.in

Industry and Market Data

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

CRISIL is an independent agency which has no relationship with our Company, our Promoter, any of our Directors, KMPs, SMPs or the Book Running Lead Managers. The CRISIL Report has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated July 6, 2023 exclusively for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Issue, and it is subject to the following disclaimer:

"CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to

carry out its business activities in this regard. Asirvad Micro Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

The CRISIL Report is available on the website of our Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry_Report.pdf.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL exclusively commissioned and paid for by us for such purpose*", on page 45. Accordingly, investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" beginning on page 93 includes information relating to our peer group companies. Such information has been obtained from publicly available sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured.

Notice to prospective investors in the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any U.S. federal, state or other securities laws. The Equity Shares may not be transferred or resold except as permitted under the U.S. Securities Act, the applicable state securities laws and any applicable non-U.S. securities laws, pursuant to registration or exemption therefrom. Our Company will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and accordingly is not subject to the protections of the U.S. Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) to persons in the United States and to U.S. Persons who are both, (i) "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**"), and (b) Qualified Purchasers ("**QPs**"), as defined in Section 2(a)(51) of the U.S. Investment Company Act (persons who are both a U.S. QIB and a QP are referred to as "**Entitled QPs**"), pursuant to Rule 144A under the U.S. Securities Act and in accordance with Section 3(c)(7) of the U.S. Investment Company Act, and (ii) to persons who are not U.S. Persons outside the United States, pursuant to 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".

Each purchaser is hereby notified that sellers of Equity Shares maybe relying on an exemption from the provisions of Section 5 of the U.S. Securities Act.

Until the expiry of 40 days after the date of commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

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

FORWARD-LOOKING STATEMENTS

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

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

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

1. Non-payment or default owing to the profile of borrowers in the microfinance industry, whom we service, may lead to increased levels of non-performing assets, related provisions and write-offs that may adversely affect our business, results of operations, cash flows and financial condition.

2. The quality of our portfolio may be impacted due to higher levels of non-performing assets ("**NPAs**") and our business may be adversely affected if we are unable to create adequate provisions for such higher levels of NPAs.

3. Our business is vulnerable to interest rate risk. 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.

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

5. We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, results of operations, cash flows and financial condition.

6. We may not be able to sustain or manage our growth or execute our growth strategy for microfinance loans effectively. If we fail to increase our operational efficiency, we may have higher operating costs and lower profitability and cash flows or operate our business effectively.

7. We depend on the accuracy and completeness of information provided by our borrowers and certain third party service providers. Our reliance on any erroneous or misleading information may affect our judgement of their creditworthiness.

8. We rely significantly on our information technology systems for our business and any inadequacy or security breach in such systems could adversely affect our results of operations, cash flows and reputation.

9. We have received show cause notices and warning in the past for failure to implement an effective transaction monitoring and reporting system that creates alerts for suspicious or inconsistent transactions. Our inability to detect alerts for 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.

10. Our non-convertible debentures are listed on BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. We have had few instances of non-compliance in the past and if we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* beginning on pages 124, 187 and 381, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry*", dated September 2023 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated July 6, 2023, exclusively for the purposes of the Issue. The CRISIL Report is available on the website of our Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry_Report.pdf.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 124, 187 and 381, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

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

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Promoter, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Issue.

ISSUE DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Issue", "Capital Structure", "Objects of the Issue", "Industry Overview", "Our Business", "Our Promoter and Promoter Group", "Restated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigation and Material Developments", "Issue Procedure" and "Description of Equity Shares and Terms of Articles of Association" beginning on pages 25, 59, 74, 89, 124, 187, 260, 301, 381, 422, 464 and 484, respectively.

Summary of the primary business of our Company

We are a non-banking finance company - microfinance institution ("**MFI**") offering microfinance loans to low-income women, thereby servicing and empowering an unbanked population who are socially and economically underprivileged. We are the largest MFI in India in terms of geographic coverage as of March 31, 2023, with a presence in 450 districts, (*Source: CRISIL Report*) in 22 States and four Union Territories through our network of 1,684 branches. We are the third largest MFI in India in terms of assets under management of March 31, 2023. (*Source: CRISIL Report*) In addition, we offer Loans against Gold and MSME Loans.

Summary of the industry in which our Company operates

In India, microfinance plays an important role in delivering credit to people to the bottom of the economic pyramid and it can support income-generating activities and livelihoods. (*Source: CRISIL Report*) The microfinance industry is likely to see growth based on the government's continued focus on strengthening the rural financial ecosystem, robust credit demand, and bigger-ticket loans disbursals. (*Source: CRISIL Report*) With economic revival and unmet demand in rural regions, the microfinance portfolio is expected to reach ₹ 5,451 billion by the end of Fiscal 2026, at a CAGR of 16% between Fiscal 2023 and Fiscal 2026. (*Source: CRISIL Report*)

Name of our Promoter

MAFIL is the Promoter of our Company. For further details, see "*Our Promoter and Promoter Group*" beginning on page 260.

Issue size

The details of the Issue are set out below:

Fresh Issue of Equity Shares*(1)	Up to [●] Equity Shares aggregating up to ₹15,000 million

(1) The Issue has been approved by our Board pursuant to the resolution passed at its meeting held on September 22, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on October 3, 2023.

The Issue shall constitute [●]% of the post Issue paid up Equity Share capital of our Company. For further details see, *"The Issue"* and *"Issue Procedure"* beginning on pages 59 and 464, respectively.

Our Company, in consultation with the BRLMs, may consider the Pre-IPO Placement of specified securities for a cash consideration aggregating up to ₹3,000 million. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR.

Objects of the Issue

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

Particulars	Amount (₹ in million)(1)
Augmenting the capital base of our Company to meet future business requirements	[●](2)
Total	**[●]**

(1) If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.
(2) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

For further details, see "*Objects of the Issue*" beginning on page 89.

Aggregate pre-Issue shareholding of our Promoter and members of our Promoter Group, as a percentage of our paid-up Equity Share capital

The aggregate pre-Issue shareholding of our Promoter as a percentage of the pre-Issue paid-up Equity Share capital on a fully diluted basis of our Company is set out below:

Sr. No.	Name	Number of Equity Shares as on the date of this Draft Red Herring Prospectus	Percentage of the pre-Issue paid-up Equity Share capital (%)*
1.	MAFIL	195,485,619	97.59
Total		**195,485,619**	**97.59**

**The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOS 2019, as applicable.*

None of the members of our Promoter Group hold any Equity Shares in our Company.

Summary of Selected Financial Information

The details of our Equity Share capital, other equity, Net Worth, revenue from operations, profit after tax, EPS (Basic and diluted), NAV per Equity Share and total borrowings (current and non-current) as at and for the three months period ended June 30, 2023 and June 30, 2022 and as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 derived from the Restated Financial Information are as follows:

(₹ in million, unless otherwise stated)

Particulars	As at and for the three months ended		As at and for the year ended March 31,		
	June 30, 2023	June 30, 2022	2023	2022	2021
Equity Share capital	667.61	533.12	626.40	533.12	533.12
Other equity	17,381.62	10,078.39	14,813.68	10,175.37	10,024.51
Net Worth(1)	18,049.23	10,611.51	15,440.08	10,708.49	10,557.63
Revenue from operations	6,370.63	3,606.42	17,151.95	13,678.90	10,529.70
Profit/ (Loss)	1,127.25	(86.92)	2,234.28	139.30	161.01
Earnings per Equity Share					
- Basic (₹)(2)	5.99	(0.54)	12.84	0.87	1.01
- Diluted (₹)(3)	5.99	(0.54)	12.84	0.87	1.01
NAV per Equity Share (₹)(4)	270.36	199.05	246.49	200.87	198.04
Total borrowings (current and non-current)	79,410.95	51,993.70	84,260.95	55,587.61	46,741.68

Notes:

(1) Net worth means the aggregate value of the paid-up equity 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 as per the Restated Financial Information as on June 30, 2022, June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.

(2) Basic Earnings per Equity Share = Basic earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

(3) Diluted Earnings per Equity Share = Diluted earnings per share are calculated by dividing the net restated 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.

(4) NAV per Equity Share = Total equity derived from the Restated Financial Information divided by number of Equity Shares outstanding as at the end of year.

For further details, see "*Restated Financial Information*" and "*Other Financial Information*" beginning on pages 301 and 380, respectively.

Auditor's qualifications which have not been given effect to in the Restated Financial Information

There are no qualifications of Statutory Auditors which have not been given effect to in the Restated Financial Information.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoter, Group Companies and Directors, if applicable, as disclosed in the section titled "*Outstanding Litigation and Material Developments*" beginning on page 422 in terms of the SEBI ICDR Regulations and the Materiality Policy as of the date of this Draft Red Herring Prospectus is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation(1)	Aggregate amount involved (₹ in million)(2)
Company						
By the Company	615	N.A.	N.A.	N.A.	2	509.76
Against the Company	Nil	9	2	N.A.	Nil	738.17
Directors						
By the Directors	3	N.A.	N.A.	N.A.	Nil	1.30
Against the Directors	2	2	3	N.A.	Nil	33.42
Promoter						
By Promoter	24,145	N.A.	N.A.	N.A.	4	6,270.66
Against Promoter(3)	22	10	5	6	Nil	997.84

(1) Determined in accordance with the Materiality Policy

(2) To the extent ascertainable and quantifiable

(3) Certain litigations filed against the Promoter have also named our Chairman, Vazhappully Padmanabhan Nandakumar as a party to the case.

Our Company does not have any subsidiaries.

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

For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 422.

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" beginning on page 25. Investors are advised to read the risk factors carefully before making an investment decision in the Issue.

Summary table of contingent liabilities and commitments

The following is a summary table of our contingent liabilities as at June 30, 2023 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(₹ in million)

Particulars	As at June 30, 2023
Contingent Liabilities	
Income Tax	
- Income Tax (Assessment year 2015-16)	112.45
- Income Tax (Assessment year 2016-17)	Nil
- Income Tax (Assessment year 2017-18)	152.14
- Income Tax (Assessment year 2020-21)	195.35
- Income Tax (Assessment year 2021-22)	50.14
Commitments	**Nil**
Total	**510.08**

For further details of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, see "*Restated Financial Information – Note 41*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 353 and 381, respectively.

Summary of related party transactions

The details of related party transactions of our Company for the period ended June 30, 2023, June 30, 2022 and Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, as per Ind AS 24 – Related Party Disclosures as per Restated Financial Information are set forth in the table below:

(₹ in million)

Particulars	Nature of Relationship	Amount Payable/ Receivable for the				
		Three months period ended June 30, 2023	Three months period ended June 30, 2022	Fiscals March 31, 2023	Fiscals March 31, 2022	Fiscals March 31, 2021
Rent paid to MAFIL	Promoter	0.29	0.29	1.25	0.89	0.07
Interest paid to MAFIL	Promoter	69.05	-	76.10	-	-
Rent receivable from MAFIL	Promoter	0.36	-	0.24	-	-
Term Loan taken from MAFIL	Promoter	1,200.00	-	1,300.00	-	-
Sub Debt taken from MAFIL	Promoter	1,500.00	-	-	-	-
Business associate service to MAFIL	Promoter	-	-	-	0.18	-
Right shares issued to MAFIL	Promoter	1,464.42	-	2,452.97	-	-
Right shares issued to Raja Vaidyanathan Venkataraman Sattanathapuram	Non-independent director	21.74	-	9.54	-	-
Right shares issued to Vazhappully Padmanabhan Nandakumar	Chairman	5.83	-	26.80	-	-
Right shares issued to Ramanathan Annamalai	Independent director	0.80	-	1.07	-	-
Right shares issued to Desh Raj Dogra	Independent director	4.09	-	4.98	-	-
Right shares issued Gautam Rathindranath Saigal	Non-independent director	1.15	-	1.92	-	-
Right shares issued to Blangat Narayanan Raveendra Babu	Managing director	1.41	-	2.35	-	-
Training expense paid to MAFIL	Promoter	-	-	7.45	6.90	1.72
Purchase of software asset from Manappuram Comptech	Group Company	28.21	-	42.52	28.17	38.15

Particulars	Nature of Relationship	Amount Payable/ Receivable for the				
		Three months period ended June 30, 2023	Three months period ended June 30, 2022	Fiscals March 31, 2023	Fiscals March 31, 2022	Fiscals March 31, 2021
and Consultants limited						
Software expense from Manappuram Comptech and Consultants limited	Group Company	42.90	35.01	116.71	112.70	73.21
Interest paid to Vivriti Capital Limited	Group company	7.35	-	8.92	-	-
Rating fee paid to Infomerics Valuation and Rating Private Limited	Group company	1.75	-	-	-	-
Insurance commission received by Manappuram Insurance Brokers Limited on insurance premium paid by the Company to insurance companies	Beneficial Related Party within the Group Companies	2.15	-	-	-	-
Donation paid to Manappuram Foundation	Group entity	20.08	14.41	37.99	14.99	31.55
Donation paid to Asirvad Development Foundation	Entity over which KMP has significant influence	-	-	-	-	0.90
Rent paid to Proficient investment and Financial Consultancy Private limited	Group company	-	0.13	0.24	0.48	0.42
Adlux Medicity And Convention Centre P Ltd	Group company	-	-	-	0.16	-
Manappuram Health Care Limited	Group company	-	-	-	0.06	-
Remuneration paid to Key Managerial Personnel						
Raja Vaidyanathan Venkataraman Sattanathapuram	KMP	-	-	-	29.51	34.90
Blangat Narayanan Raveendra Babu	KMP	3.66	3.11	13.75	12.03	9.00
Yogesh Ratnakar Udhoji	KMP	-	1.73	1.86	8.00	6.60
Aparna Menon	KMP	0.46	0.43	1.65	1.50	0.52
Rajesh KRN Namboodiripad	KMP	0.80	0.76	3.07	-	-
Anup Kumar Gupta	KMP	-	-	-	-	0.95
Sitting fee paid to Directors						
Ramanathan Annamalai	Director	0.12	0.10	0.50	0.61	0.53
Abhijit Sen	Director	0.16	0.14	0.58	0.60	0.35
Desh Raj Dogra	Director	0.12	0.14	0.55	0.59	0.37
Gautam Rathindranath Saigal	Director	0.16	0.14	0.54	0.63	0.40
Pushya Sitaraman	Director	0.09	0.09	0.39	0.42	0.36
Subrata Kumar Atindra Mitra	Director	0.08	0.08	0.29	0.36	0.27
Thotanchath Balakrishnan	Director	0.14	0.10	0.53	0.58	0.35
T.M. Manoharan	Director	-	0.08	0.12	0.34	0.24
Harshan Kollara Sankarakutty	Director	0.13	0.09	0.43	0.32	-
Anita Belani	Director	0.07	-	0.06	-	-
Raja Vaidyanathan Venkataraman Sattanathapuram	Director	0.20	0.15	0.73	0.61	-
Commission Paid to Directors						
Ramanathan Annamalai	Director	0.19	-	1.11	1.00	1.00
Desh Raj Dogra	Director	0.26	-	1.54	1.50	1.00
Subrata Kumar Atindra Mitra	Director	0.27	-	1.63	1.60	1.00
Abhijit Sen	Director	0.18	-	1.12	1.00	1.00
Gautam Rathindranath Saigal	Director	0.23	-	1.37	1.30	1.00
Pushya Sitaraman	Director	0.23	-	1.37	1.30	1.00
Thotanchath Balakrishnan	Director	0.23	-	1.37	1.30	1.00
T.M. Manoharan	Director	-	-	-	1.00	1.00
Harshan Kollara Sankarakutty	Director	0.18	-	1.12	1.00	-
Anitha Belani	Director	0.03	-	0.25	-	-
Raja Vaidyanathan Venkataraman Sattanathapuram	Director	0.19	-	1.11	1.00	15.00

Particulars	Nature of Relationship	Amount Payable/ Receivable for the				
		Three months period ended June 30, 2023	Three months period ended June 30, 2022	Fiscals March 31, 2023	Fiscals March 31, 2022	Fiscals March 31, 2021
Blangat Narayanan Raveendra Babu	Director	-	-	6.00	6.00	6.00

For further details, see "*Restated Financial Information – Note 36*" on page 344.

Financing Arrangements

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

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

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

Name	Number of Equity Shares acquired in the last one year	Weighted average price of acquisition per Equity Share*(in ₹)
MAFIL	134,346,890(1)	10.90

**As certified by M. P. Chitale & Co., Chartered Accountants, by way of their certificate dated October 4, 2023*
(1) Includes a bonus issuance of 130,323,746 Equity Shares, allotted to MAFIL pursuant to resolution of our Board passed on August 26, 2023.

Average cost of acquisition of Equity Shares of our Promoter

The average cost of acquisition of our Promoter as on the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares as on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)
MAFIL	195,485,619(1)	55.08

**As certified by M. P. Chitale & Co., Chartered Accountants, by way of their certificate dated October 4, 2023*
(1) Includes a bonus issuance of 130,323,746 Equity Shares, allotted to MAFIL pursuant to resolution of our Board passed on August 26, 2023.

Details of price at which specified securities were acquired by the Promoter, members of our Promoter Group, and Shareholders with special rights in the last three years preceding the date of this Draft Red Herring Prospectus

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by the Promoter and members of our Promoter Group. Further, there are no Shareholders with special rights in our Company.

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

Sr. No.	Name	Category	Date of acquisition of the Equity Shares	Number of Equity Shares acquired	Face value (in ₹)	Acquisition price per Equity Share* (in ₹)
1.	MAFIL	Promoter	July 19, 2021	1,451,978	10.00	272.35
2.	MAFIL	Promoter	September 29, 2022	9,152,873	10.00	268.00
3.	MAFIL	Promoter	June 30, 2023	4,023,144	10.00	364.00
4.	MAFIL	Promoter	August 26, 2023(1)	130,323,746	10.00	-

**As certified by M. P. Chitale & Co., Chartered Accountants, by way of their certificate dated October 4, 2023*
(1) Allotment pursuant to bonus issuance of Equity Shares in the ratio of two Equity Shares for every one Equity Share held by eligible shareholders of our Company.

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

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition#	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)*
Last one year preceding the date of this Draft Red Herring Prospectus	10.90	[●]	Nil-364
Last 18 months preceding the date of this Draft Red Herring Prospectus	27.22	[●]	Nil-364
Last three years preceding the date of this Draft Red Herring Prospectus	29.61	[●]	Nil-364

***** *As certified by M. P. Chitale & Co., Chartered Accountants by way of their certificate dated October 4, 2023.*

#To be updated upon finalisation of the price band.

Details of pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider a further issue of specified securities as may be permitted under applicable law to any person(s) for a cash consideration aggregating up to ₹3,000 million, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR.

Issuance of Equity Shares in the last one year for consideration other than cash or by way of bonus issue

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue in the last one year preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure - Notes to the Capital Structure - Share capital history of our Company - (a) Equity Share capital*" on page 74.

Date of allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Reason for allotment	Benefits accrued to our Company
August 26, 2023	133,522,248	10.00	N.A.	Bonus issue of Equity Shares in the ratio of two Equity Shares for every one Equity Share held by eligible shareholders of our Company holding Equity Shares.	N.A.

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

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

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

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Potential 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 pursuant to the Issue. The risks described below are not the only ones relevant to us or the 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. We may be exposed to risks of differing varieties in course of our microfinance loan, Loan against Gold and MSME Loan operations. If any or some combination, of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. 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", "Selected Statistical Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Information" on pages 187, 124, 269, 381 and 301, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue, including the merits and risks involved.

Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. 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 17.

Unless otherwise indicated, the financial information herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 301. Unless stated otherwise, the figures for the three months ended June 30, 2022 and June 30, 2023 have been presented on an un-annualized basis and are not indicative of our Company's annual performance. Accordingly, these are not comparable with the figures for a complete Fiscal. Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Asirvad Micro Finance Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry" dated September, 2023 ("**CRISIL Report**") prepared and released by CRISIL and exclusively commissioned and paid for by us pursuant to the appointment of CRISIL vide letter dated July 6, 2023, in connection with the Issue. The data included herein includes excerpts from the CRISIL Report, which is available on the website of the Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry Report.pdf from the date of this Draft Red Herring Prospectus till the Bid/Issue Closing Date, and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 487. The relevant industry sources are indicated at all relevant places within this section. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 15.*

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year.

Internal Risks

<u>*Risks Relating to Business and Industry*</u>

1. Non-payment or default owing to the profile of borrowers in the microfinance industry, whom we service, may lead to increased levels of non-performing assets, related provisions and write-offs that may adversely affect our business, results of operations, cash flows and financial condition.

Our target borrower segment for microfinance loans comprise women, with an annual household income of up to ₹ 0.30 million and we undertake preliminary due diligence to ensure that the household debt repayment commitments of the borrower is not more than 50% of the income. These borrowers generally have limited sources of income and credit histories, and may not have tax returns, bank or credit card statements, statements of previous loan exposures, or other documents through which we can accurately assess their credit worthiness. As a result, such borrowers may pose a higher risk of default than borrowers with greater financial resources and more established credit histories, or those with better access to education, employment opportunities and social services. Since these advances are unsecured, in the event of defaults by such borrowers, our ability to realise the amounts due to us would be restricted to initiating legal proceedings against such borrowers for recovery. In the three preceding Fiscals and the three months ended June 30, 2023, we initiated 951 proceedings pertaining to our microfinance loan portfolio, amounting to ₹ 43.59 million. For further information, see "*Outstanding Litigation and Material Developments – Litigation involving our Company*" on page 422. We have also initiated arbitration proceedings against microfinance loan borrowers whose accounts have become NPAs, on a pilot basis. There can be no guarantee as to the amount of our resources that would be utilised and the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision to us. Any failure to recover the amount, whether full or partial, of principal and interest on unsecured advances given to our borrowers could adversely affect our financial condition, results of operations and cash flows.

Further, in our microfinance loan segment, we rely primarily on non-traditional guarantee mechanisms (which are also not enforceable in the manner of a formal agreement) such as the joint liability group model, rather than any tangible assets such as collateral. In a joint liability group model, borrowers form a group, usually comprising up to five members, and provide joint and several undertakings to pay back the loans availed by each member of the group. There can be no assurance that joint liability group arrangements will ensure repayment by other members of a group in the event of default by any one of the members. These arrangements are likely to fail (a) if there is no meaningful personal relationship among members of such group, (b) if members do not participate regularly in group meetings, (c) if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or (d) as a result of adverse external factors. Further, our borrowers may take on additional borrowing obligations, which may also be from the informal moneylending ecosystem, which may put pressure on their ability to repay loans availed from us. As a result, our borrowers potentially present a higher risk of loss in cases of credit default compared to borrowers in other asset-backed financing products. In addition, we have certain borrowers who are first-time borrowers from the formal secured lending ecosystem. Such borrowers may have a higher risk of non-payment or default due to reasons such as not having the experience of payment of interest and repayment of principal. For information relating to our due diligence and credit analysis procedures, see "*Our Business – Business Operations – Group Lending*" on page 206.

Set forth below are details of our microfinance loan portfolio, as well as collection efficiency of the portfolio:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
Microfinance loans AUM (₹ million)	59,408.76	66,529.78	92,972.07	65,460.84	93,104.47
Total AUM (₹ million)	59,846.18	70,021.83	100,408.93	70,125.32	101,405.76
Microfinance loans AUM, as a percentage of total AUM	99.27%	95.01%	92.59%	93.35%	91.81%
Collection efficiency for microfinance loans*	95.59%	85.01%	101.20%	100.95%	100.92%

** Includes arrears collections. Collections efficiency represents the ratio of our microfinance loan collections, including overdue collections, to billings in the relevant period.*

Events such as the COVID-19 pandemic also heighten our borrowers' financial pressures and cause reduction in the demand for our products. Owing to the nature of borrowers in our microfinance loan portfolio, we may experience higher levels of NPAs and write-offs, which may adversely affect our business, results of operations and financial condition. For further information, see "- *The quality of our portfolio may be impacted due to higher levels of non-performing assets ("**NPAs**") and our business may be adversely affected if we are unable to create adequate provisions for such higher levels of NPAs.*" and "- *COVID-19 has had, and any future outbreak of a pandemic could have, certain adverse effects on our business, operations, cash flows and financial condition.*" below.

2. The quality of our portfolio may be impacted due to higher levels of non-performing assets ("NPAs") and our business may be adversely affected if we are unable to create adequate provisions for such higher levels of NPAs.

Our ability to manage the credit quality of our portfolio is a key driver of our results of operations. We make contingent provisions against standard assets and NPAs, which are recognized under impairment of financial instruments in our restated statement of profit and loss, in accordance with guidelines issued by the RBI. We also create provisions as prescribed under IND AS 109 following ECL. In addition to making provisions on loan assets, the RBI requires us to classify and make additional provisions towards NPAs. If the number of our loans that become NPAs increase, the credit quality of our loan portfolio will decrease and the provisioning requirement will also increase. For further information on the RBI prudential norms on income recognition, asset classification and provisioning pertaining to advances, as well as requirements pertaining to net owned funds, see "*Key Regulations and Policies*" on page 221. Set forth below are details of our asset quality ratios, as well as provisions made, as of each of the corresponding periods:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
On-books Loan Portfolio -					
1. Stage 1[(1)]	46,964.49	50,133.26	85,612.41	50,802.52	82,179.56
2. Stage 2[(2)]	3,392.85	6,462.88	1,748.18	3,171.61	694.67

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
3. Stage 3[3]	908.68	960.80	2,415.66	4,529.68	2,434.87
4. Total On-books Loan Portfolio	51,266.02	57,556.93	89,776.25	58,503.81	85,309.11
ECL Allowance – Loans*					
5. Stage 1	960.05	739.35	799.56	662.44	738.53
6. Stage 2	1,547.57	1,910.88	161.08	487.10	61.35
7. Stage 3	906.87	887.21	1,554.85	3,574.65	1,366.62
8. Total ECL Allowance Loans	3,414.49	3,537.44	2,515.49	4,724.19	2,166.50
Net Loan Portfolio					
9. Stage 1 (9=1-5)	46,004.44	49,393.91	84,812.85	50,140.08	81,441.03
10. Stage 2 (10=2-6)	1,845.28	4,552.00	1,587.10	2,684.51	633.32
11. Stage 3 (11=3-7)	1.81	73.59	860.81	955.03	1,068.25
12. Total Net Loan Portfolio – Loans (12=4-8)	47,851.53	54,019.49	87,260.76	53,779.62	83,142.61
13. Gross NPA to On-books Loan Portfolio (%)[4]	1.77%	1.67%	2.69%	7.74%	2.85%
14. Gross NPA to AUM (%)[5]	1.52%	1.37%	2.41%	6.46%	2.40%
NPA Provision[6]	906.86	789.68	1,507.94	3,477.13	1,383.25

** Data as of March 31, 2021 and 2022 were reported excluding additional provision while data as of March 31, 2023 and as of June 30, 2022 and June 30, 2023 have been reported including additional provision.*

Notes:

(1) *Stage 1 Loans refers to less than or equal to 30 Day Past Due ("**DPD**") accounts other than restructured and NPA accounts which are less than 30 DPD. It also excludes any loan accounts which has been tagged as loss account.*

(2) *Stage 2 Loans refers to 31-90 DPD and all loans restructured under the Resolution Framework which allowed a one-time restructuring of loans impacted by COVID-19 pandemic which are 90 DPD or below.*

(3) *Stage 3 Loans refers to Non-Performing Assets as defined in the master circular dated July 1, 2015 "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" issued by RBI, as amended.*

(4) *Gross NPA ratio (%) to On-books Loan Portfolio represents the closing balance of Stage 3 loan to the On-books Loan Portfolio as of the last day of the relevant period and includes the additional impairment identified as per IRAC provisions*

(5) *Gross NPA ratio (%) to AUM represents the closing balance of Stage 3 Loans to AUM as of the last day of the relevant period and includes the additional impairment identified as per IRAC provisions.*

(6) *NPA provision represents provision against accounts identified as NPA as IRAC norms.*

There can be no assurance that we will be able to maintain our NPA ratios in proportion with the credit performance of our borrowers, or at which our credit and our underwriting analysis, servicing and collection systems and controls will be adequate. Any incorrect estimation of risks may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio. Events such as the COVID-19 pandemic may exacerbate the extent of NPAs in our portfolio, as demonstrated by the spike in our Gross NPAs to 7.74% as of June 30, 2022, compared to 1.67% as of March 31, 2022. Further, our peers may have better asset quality, which may in turn lead to our peers having high profitability and low provisioning requirements. Any incorrect estimation of risks, including those relating to collection efficiency, may result in our provisions not being adequate to cover further increase in the amount of NPAs or deterioration in our NPA portfolio. Factors outside our control may lead to increased NPAs, such as developments in the Indian and global economy, political factors, changes in borrower behaviour and demographic patterns, natural calamities, diseases and changes in regulations, including requirements on us to lend to stipulated sectors. In the event of any deterioration in our NPA portfolio, or if our provisioning coverage is insufficient to cover our NPAs, our ability to raise additional capital and debt funds, as well as our business prospects, financial condition, results of operations and cash flows could be adversely affected.

3. Our business is vulnerable to interest rate risk. 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.

Our results of operations depend, to a large extent, on the amount of our net interest income, as our primary revenue source is interest income. Any increase in the rate of interest at which we borrow from our lenders, without a corresponding increase in the interest rates we are able to charge our borrowers, could expose us to interest rate risk. In a declining interest rate environment, if our cost of funds do not decline simultaneously or to the same extent as the yield on our loans, it could lead to a reduction in our net interest income and net interest margin, affecting our results of operations, financial condition and cash flows. Changes in interest rates could also affect our fixed income portfolio and treasury income. Set forth below are details of our interest income, and net interest margin, for each of the corresponding periods:

Particulars	Fiscal			Three Months Ended June 30,	
	2021	2022	2023	2022	2023
Interest income (₹ in million)	9,576.29	11,930.32	15,452.38	3,270.37	5,737.12
Interest income, as a percentage of total income (%)	88.90%	84.50%	87.83%	90.50%	88.04%
Net interest margin (%)[1]	8.71%	9.55%	10.74%	2.68%	3.53%

Note:

(1) *Net Interest Margin represents our net interest income on the loans for a period to the average AUM for the period, represented as a percentage. Average AUM has been arrived at by calculating the average of AUM value as at the end of the period for the respective period and the period end of the*

immediately preceding year/period. For computing average AUM for the three months ended June 30, 2023, the value would be calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.

An increase in interest rate by our Company may add to the financial stress of our borrowers, leading to potentially higher delinquencies and may reduce the demand for our loans. Further, an increase in interest costs on our Company 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, or if the volume of our interest-bearing liabilities is larger than the volume of our interest-earning assets. As of March 31, 2023 and as of June 30, 2023, the effective interest of our microfinance loans was 24.16% and 25.00%, respectively. Interest rates are highly sensitive and are dependent upon factors which are beyond our control, including monetary policies of the RBI, rate hikes by the U.S. Federal Reserve, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. We may not be able to reprice our existing loans comprehensively, or retain borrowers if interest rates are increased substantially, which could have an adverse effect on our net interest income and net interest margin, thereby affecting our business, financial condition and results of operations.

4. ***Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, cash flows and financial condition.***

As of August 31, 2023, our total borrowings were ₹ 82,276.76 million, comprising secured borrowings of ₹ 74,645.65 million and unsecured borrowings of ₹ 7,631.11 million. For further information, see "*Financial Indebtedness*" on page 418. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our borrowers. Our financing agreements contain restrictive covenants that limit our ability to undertake certain types of transactions, as set forth below, any of which could adversely affect our business and financial condition. Under these agreements, certain lenders also require us to maintain certain financial ratios such as NPA ratios, asset coverage ratio and security cover ratio. We have had instances of breach of covenants in our financing agreements during the three preceding Fiscals and the three months ended June 30, 2023. For instance, in September 2022, we have been in breach of a covenant under our agreement with one of our lenders that requires us to maintain Net NPAs and Gross NPAs at specified ratios under the agreement. While the lender has not taken any action against our Company and we have subsequently obtained a waiver for this non-compliance, there can be no assurance that we will be able to receive such waivers for any breach in future, or that action will not be initiated by the lenders against us. In addition, we have been in breach of certain financial covenants in connection with our listed NCDs, in the period between September 30, 2021 and December 31, 2022, and as of June 2023. While we had received notices for early redemption from certain debenture holders on account of certain covenant breaches between September 30, 2021 and December 31, 2022 and such NCDs, amounting to ₹ 2,096.13 million have been redeemed, we may be subject to the risk of breach of covenants under financing agreements in future.

We are required to obtain prior approval from some of our lenders and / or debenture trustees, as well as send prior intimation to other lenders for *inter alia*:

- making any amendments to documents such as the memorandum of association and articles of association of our Company;
- effecting any adverse changes to or effecting a major change in our capital structure, including by way of fresh issuance of equity shares by our Company and sub-division of the equity shares;
- issuing any debentures, raising loans, issuing equity or preferential share capital;
- effecting any change in the constitution of our Company, including its shareholding pattern, ownership, controlling interest and control, which may include reduction/dilution in the shareholding of existing shareholders; and
- effecting any changes in the management of our Company, including changes in the composition of the Board of Directors and key managerial personnel and change in the practice with regard to remuneration of directors.

For further information, see "*Financial Indebtedness*" on page 418.

We have applied to our lenders and we have received consents from the relevant lenders, including debenture trustees, to the extent required, in relation to this Issue. However, a lender based out of the United States has only provided us with a conditional consent to file this Draft Red Herring Prospectus and has, as on date of this Draft Red Herring Prospectus, not provided prior consent for change in shareholding pattern of the Company, as required under the credit agreement entered into with this lender. We cannot assure you that such consent will be granted in the future or at all and we may be in breach of covenants set out under the relevant loan agreements. Failure to meet our obligations under our financing agreements could have an adverse effect on our business, results of operations, cash flows and financial condition. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Our future borrowings may also contain similar restrictive provisions.

5. ***We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our ability to raise debt funding and equity capital 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 and our Promoter's shareholding in our Company, developments in the domestic markets and international markets affecting the Indian economy as well as regulatory environment and policy initiatives in India. For further information on our lenders and restrictive covenants under our financing agreements, see " - *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, cash flows and financial condition*." on page 28. Further, the liquidity and profitability of our business depends, in large part, on our timely access to, and the costs associated with, raising funds. For further information on our indebtedness, see "*Financial Indebtedness*" on page 418. Set forth below are details of our debt funding, including the average cost thereof:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
Total Borrowings (₹ million)(1)	46,741.68	55,587.61	84,260.95	51,993.70	79,410.95
Average Cost of Borrowings (%)(2)	9.97%	11.20%	9.01%	2.59%	2.65%

Notes:

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and collateralised borrowing principal outstanding as of the last day of the relevant period.

(2) Average cost of borrowings represents finance costs (including collateralised borrowing) for the relevant period as a percentage of average total borrowing in such period. Average total borrowing is the simple average of our total borrowings outstanding as of the last day of the relevant period and our total borrowing outstanding as of the last day of the previous period.

Our ability to raise foreign funds through debt is governed by RBI regulations and is subject to restrictions, including raising loans only from recognized lenders and with minimum average maturity period of not less than three years, except in specified cases. In addition, any changes to the regulations on priority sector lending may also disrupt our sources of funding. As of the date of this Draft Red Herring Prospectus, the RBI mandates domestic scheduled commercial banks (excluding regional rural banks and SFBs) and foreign banks operating in India, to maintain an aggregate 40.00% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, as 'priority sector lending'. In the event that the laws relating to priority sector lending to banks undergo a change, or if any part of our loan portfolio is no longer classified as priority sector lending by the RBI, or if we are no longer able to satisfy the prescribed conditions to be eligible for such classification, our ability to raise resources based on priority sector advances would be hindered. For further information on these regulations, see "*Key Regulations and Policies*" on page 221. 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.

Set forth below are details of our net worth and equity capital raised in the corresponding periods:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
Net worth (₹ million)(1)	10,557.63	10,708.49	15,440.08	10,611.51	18,049.23
Equity capital raised (₹ million)	-	-	93.28	-	41.21

Note:

(1) Net Worth represents the sum of equity share capital and other equity as of the last day of the relevant period.

Our ability to raise equity capital is limited by restrictions in relation to changes in the shareholding of our Company beyond certain thresholds. Further, our ability to receive foreign investment in the form of equity inflow is also limited by India's foreign investment laws.

Our margins are affected by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our borrowers. If we are unable to obtain adequate financing in a timely manner or on acceptable terms, our business, results of operations, cash flows and financial condition may be adversely affected.

6. ***We may not be able to sustain or manage our growth or execute our growth strategy for microfinance loans effectively. If we fail to increase our operational efficiency, we may have higher operating costs and lower profitability and cash flows or operate our business effectively.***

As part of our growth strategy, we intend to increasingly convert our exclusive Loan against Gold branches to hybrid branches by initiating disbursement of microfinance loans from these branches, thereby enhancing the portfolio for the microfinance loans business. We expect to grow our business through a combination of branch expansion, new borrower acquisition, increase in productivity, higher retention ratios of existing borrowers and increase in ticket sizes. Set forth below are details of our branches, borrowers, total income and AUM, reflecting our recent growth:

Particulars	As of/ For the Year Ended March 31,			CAGR (March 31, 2021/ Fiscal 2021 – March 31, 2023/ Fiscal 2023)	As of/ For the Three Months Ended June 30,	
	2021	2022	2023		2022	2023
Number of branches	1,062	1,525	1,684	25.92%	1,540	1,738
- Exclusive microfinance loan branches	1,025	1,203	1,206	8.47%	1,203	1,206
- Exclusive Loan against Gold branches	21	305	178	191.14%	320	221
- Hybrid branches (microfinance loan and Loan against Gold)	-	-	283	-	-	294
- MSME Loan branches	16	17	17	3.08%	17	17
Number of borrowers	2,409,908	2,573,902	3,340,185	17.73%	2,598,569	3,494,877
Total income (₹ million)	10,771.85	14,118.90	17,592.76	27.80%	3,613.74	6,516.79
AUM (₹ million)	59,846.18	70,021.83	100,408.93	29.53%	70,125.32	101,405.76

For further information, see "*Our Business – Strategies - Deepen, expand and continue to profitably grow our microfinance business while strengthening market leadership*" on page 199. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, at the same rate, or at all. We may need to change the composition of our AUM, which may impact our profitability, our asset-liability maturity profile and NPA levels. Further, we may introduce products that may have lower Net Interest Margins or profitability. As we grow our business in newer geographies, including rural and more remote areas, we may face difficulties such as lack of infrastructure in terms of connectivity, increased competition, different culture, regulatory and taxation regimes, business practices, customs, behavior and preferences, instances of spurious gold being pledged or pledged gold being stolen, and our current experience may not be applicable to new markets. In addition, we will need to enhance and upgrade our financial, accounting, information technology, administrative, supervisory mechanisms, risk management and operational infrastructure and internal capabilities to manage such growth of our business, which involves significant capital investment. We may also face heightened security risks, and face instances of fraud and theft of gold provided as collateral. For further information, see " - *We are exposed to operational risks such as unauthorized transactions, fraud, misappropriation and embezzlement in course of collections, which could adversely affect our business, results of operations and financial condition*." on page 43. We may not be able to maintain our historical growth rates, the level of our NPAs or the quality of our portfolio.

Further, external factors beyond our control could also affect our ability to grow our business and loan portfolio, such as demand for our loans, domestic economic growth, the RBI's monetary and regulatory policies, inflation, competition and availability of cost-effective debt capital. For further information, see "- *We are subject to laws and regulations governing the financial services industry and particularly to the Microfinance Loans Directions, including laws in relation to capital adequacy ratios. Changes in laws and regulations governing our business could adversely affect our business, results of operations, cash flows and prospects*" on page 36. Our inability to expand our current operations or the sub-optimal performance of our existing/ new branches may adversely affect our business, financial condition, results of operations and cash flows.

7. We depend on the accuracy and completeness of information provided by our borrowers and certain third party service providers. Our reliance on any erroneous or misleading information may affect our judgement of their creditworthiness.

In terms of the Microfinance Loans Directions, our Board has adopted an MFI - credit policy dated March 31, 2022 for assessment of household income of the borrowers for the microfinance loans. While deciding whether to extend credit, we rely, to a significant extent, on the information furnished to us by the borrowers for certain key elements of the credit assessment process, including number of earning and non-earning members, type of accommodation, their primary and other sources of income, assets, total debt, monthly and annual repayment obligations, financial transactions and credit history. The data we receive and rely upon also includes data from the credit bureaus, our application programming interface ("**API**") stack enabling independent validation from source, borrower and household financials and observations from our front end teams. If the data, components or analytics are either unstable, biased, or missing key pieces of information, wrong decisions may be made which will affect our decision to extend loans thereby negatively impacting our financial results. We follow Know Your Customer ("**KYC**") guidelines prescribed by RBI for potential borrowers, and verify their place of residence, among other data. Our reliance on erroneous or misleading information may affect our judgement of credit worthiness of potential borrowers, particularly as our potential borrowers may be unable to document their entire household income and their debt servicing obligations comprehensively. Accordingly, we may not be able to assess their household income or ability to repay our loans 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, 2023, to an extent our NPAs may be deemed to have resulted from our erroneous judgment of borrowers' ability or willingness to repay their debt, including owing to circumstances that may arise after loans have been sanctioned and disbursed. We may not receive updated information regarding any change in the financial condition of our borrowers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation. Moreover, the availability of accurate and comprehensive credit information on microfinance loan borrowers in India is more limited than for larger borrowers, which reduces our ability to accurately assess the credit risk associated with such lending. If we are unable to properly assess the creditworthiness of our borrowers, including a failure to predict a borrower's true credit risk profile and/or ability to repay their loan, we may need to record additional provision expense and/or experience higher than forecasted losses which may adversely affect our business, financial condition, results of operations and cash flows.

8. We rely significantly on our information technology systems for our business and any inadequacy or security breach in such systems could adversely affect our results of operations, cash flows and reputation.

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, insider attacks, electrical or telecommunication outages, sabotage, computer viruses, cyberattacks or similar events, or loss of support services from third-parties, such as internet backbone providers), which could result in breaches of applicable data security laws and resultant imposition of monetary penalties. Although we have not experienced any significant disruptions to our information technology systems in the three preceding Fiscals, we cannot assure you that we will not encounter disruptions in the future.

In addition, we use third party software, platforms, services and data storage services, on-cloud and on-premises data centres, including payment gateway services, fund disbursement services, cash collection services, electronic sign services, eNACH services, credit bureau checks, and for automated calls and messages to borrowers. Infiltration of our or such third parties' information technology systems may result in data losses or theft of our or borrowers' proprietary business or personally identifiable information, resulting in exposure to litigation, liabilities, remediation costs, disruption of internal operations, increased cybersecurity protection costs and loss of borrower confidence. Although we have not experienced any data security breaches or cyberattacks in the three preceding Fiscals, 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, cash flows and reputation.

We are dependent on Manappuram Comptech and Consultants Limited, which is one of the members of our Promoter Group and our Group Company, for our technological services and software modules, and have entered into various long term agreements to avail their services for various services including *inter alia,* our loan management system integrated with core business functions of digital and offline collections, human resources and attendance, accounting, treasury, asset management and legal tracking. For further information, see "*Our Business – Information Technology*" and "*Issue Document Summary – Related Party Transactions*" on pages 212 and 21, respectively. Any change in our relationship, or in Manappuram Comptech and Consultants Limited's relationship, with our Promoter may have an impact on the willingness of Manappuram Comptech and Consultants Limited to continue its agreements with us, renew such agreements or provide satisfactory services under the agreements till such time as these agreements remain in existence. In addition, Manappuram Comptech and Consultants Limited's vulnerability to the disruptions and security breaches set forth above may also affect the services it is able to provide to us. Failure by Manappuram Comptech and Consultants Limited to upgrade and update its systems, evolve its service offerings and invest in emerging technologies will also have a consequent impact on the quality of our technology offerings. We may be unable to find a timely replacement or suitable replacement for Manappuram Comptech and Consultants Limited, which may lead to operational disruptions.

We have also entered into an agreement dated August 13, 2021, which was effective from April 1, 2021 for use of a digital learning platform developed by our Promoter, MAFIL, through which our employees receive consulting and training services. Under such agreement, we have indemnified MAFIL against *inter alia* losses, claims, damages which may rise from or due to any unauthorized use of the services on the platform. For further information on the platform, see "*Our Business – Business Operations - Employees*" on page 219.

In addition, we are dependent on external vendors for certain elements of our operations, such as our cloud as well as digital channels for online payments, which we use and access through agreements with these external vendors. We are exposed to several risks, including but not limited to, (i) external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the 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 our (or our vendors') business continuity and data security systems prove to be inadequate. While there has been no material failure by third parties to perform their obligations under agreements, in the three preceding Fiscals, and there are currently no pending disputes regarding such services, there can be no assurance that such failure to perform will not take place in future. Some or all of the data and information stored by us on the servers and data centres of external vendors, may be subject to information technology, and data protection laws of countries other than India. While we have not experienced any such instances in the three preceding Fiscals and the three months ended June 30, 2023, breach of such laws by us or the external vendor may expose us to liability under such laws, and/or trigger indemnity provisions under our arrangements with such vendors. Further, any change in vendors' regional laws that conflict with legal requirements in India could also expose us to compliance and regulatory risk.

If we fail to adapt to technological advances such as AI, business analytics, digital lending solutions, mobile banking and access to lender aggregators quickly and effectively, it could affect the performance and features of our product offerings and services and reduce our attractiveness to existing and potential borrowers, thereby adversely affecting our business, financial condition, results of operations, and cash flows.

Legal and Regulatory Risks

9. We have received show cause notices and warning in the past for failure to implement an effective transaction monitoring and reporting system that creates alerts for suspicious or inconsistent transactions. Our inability to detect alerts for 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 borrowers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. We cannot assure you that our internal policies, processes and systems will be able to fully control instances of any potential or attempted violation by other parties.

In the past, we have received a notice dated August 20, 2020 ("**Notice**") from the Financial Intelligence Unit, Ministry of Finance, GoI, ("**FIU**") under Section 13 of the PMLA basis certain observations made by RBI in its inspection report of our Company issued during the year 2018 and 2019 including, *inter alia*, (i) our Company's core processing and accounting system did not generate any alerts to originate suspicious transaction reports after verification, and (ii) the software used by our Company to generate cash transaction report/ suspicious transaction report did not create any alerts when the transaction was inconsistent with the risk categorization and profile of the borrower. Our Company replied to the Notice submitting that our risk from an AML perspective was low and that we conduct manual transaction monitoring on a monthly basis, adhere to regular checks on the negative lists circulated by the RBI, and that we were in the process of revamping our loan management system, and would soon implement alerts as required under the PMLA. We have received an order from the FIU on October 31, 2022, ("**FIU Order**") noting our low risk profile owing to us operating in a niche lending segment with low ticket sizes and limited borrower base. While the FIU has not imposed any monetary penalty on us, it has issued a warning under Section 13 of the PMLA for us to review our mechanism for alert generation, transaction monitoring and reporting to FIU and ensuring that we have deployed all applicable and prescribed alerts. Subsequently, our Company replied to the FIU Order on January 23, 2023 ("**Company Response**") and apprised the FIU about various steps taken and mechanisms installed by our Company, including implementing procedures for strengthening AML-KYC process and integration of PMLA framework with core system of processing and accounting. Further, our Company *vide* its letter dated January 27, 2023 has informed the RBI about the FIU Order and the Company Response. We cannot assure you that we will in the future be able to fully control instances of any potential or attempted violation by any party. 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. For further information, see "- *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 and reputation*" on page 43.

10. Our non-convertible debentures are listed on BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. We have had few instances of non-compliance in the past and if we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

Our Company has issued redeemable, rated, non-convertible debentures ("**NCDs**") of different series, which are listed on the debt segment of BSE. For details of such listed NCDs, see "*Financial Indebtedness - Details of listed Non convertible debentures issued by our Company*" on page 419. We are required to comply with various applicable rules and regulations in terms of our listed NCDs, including the SEBI Listing Regulations, which requires us to *inter alia* disclose our quarterly financial results, subject to a limited review, within a stipulated period from the end of the quarter. We have had certain instances of non-compliance in the past which include, *inter alia*, the following:

Sl. No.	Particulars	Relevant Regulation of the SEBI Listing Regulations
1.	Non-submission/ delay of information related to payment obligations	Regulation 57(1)
2.	Delay in providing notice of record date regarding certain NCDs	Regulation 60 (2)

We have in the past paid a total of ₹ 15,340 in penalties to the BSE and NSE for various non-compliances. Additionally, our Company was due to pay interest for certain NCDs on September 12, 2023 and inadvertently missed intimating the Stock Exchanges the record date for the payment of interest in violation of Regulation 60 of the SEBI Listing Regulations. While our Company has written to the BSE informing them of the same, we cannot assure you if BSE will impose any penalties on our Company for the same. For further information, see "*Outstanding Litigation and Material Developments – Litigation involving our Company - Actions taken by Regulatory and Statutory Authorities*" on page 422

Further, we are qualified as a 'high value debt listed entity' as per thresholds set out under the SEBI Listing Regulations and we are required to comply with certain provisions of Chapter IV - 'Obligations of a Listed Entity which has Listed its Specified Securities and Non-convertible Debt Securities. It we fail to comply with applicable rules and regulations in future, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

11. ***As a NBFC-MFI, we are subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions, which may have an adverse effect on our business, results of operations, cash flows and financial condition.***

We are subject to periodic inspections by the RBI as an NBFC-MFI, wherein the RBI inspects our books of accounts and other records to verify the correctness or completeness of any statement, information or particulars furnished to the RBI, or for the purpose of obtaining any statements, information or particulars which our Company has failed to furnish on being called upon to do so. The RBI issues observations, directions and monitorable action plans on issues related to, *inter alia*, our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems. Any significant deficiencies identified by the RBI that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties against us and our management, as well as expose us to heightened risks.

In its latest inspection report, for Fiscal 2022, the RBI has made, *inter alia,* the following observations, and our Company has taken the corresponding actions and corrective measures:

Observation by the RBI	Actions/ Measures taken by our Company
As on March 31, 2022, the Net Owned Funds ("**NOF**")/ Tier I capital of the Company stood at ₹ 972.46 crore as against the reported NOF of ₹ 976.09 crore. The decrease was due to the inclusion of positive Other Comprehensive Income ("**OCI**") by the Company, which was deducted (₹ 3.63 crore) during the inspection.	Our Company has submitted that 'Positive Other Comprehensive Income' has been excluded while calculating Tier 1 capital of our Company for the quarter ended December 31, 2022 and financial statements have been prepared accordingly.
The Company had erroneously reckoned the standard asset provision amounting to ₹ 74.39 crore to Tier II capital. In terms of the instructions contained in Para 14 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 the standard asset provisions need not be netted from gross advances but has to be shown separately as "Contingent provisions against standard assets" in the balance sheet. However, under the Ind-AS accounting system as applicable to NBFCs and followed by the Company, the same was netted from gross advances and not shown separately under any liability item in the balance sheet and as such was not available on the balance sheet. Hence, the same cannot be reckoned for Tier II capital. The assessed capital of the Company has, therefore, been reduced to ₹ 188 crore against reported Tier II capital of ₹ 262.39 crore.	We have noted the observation for compliance. We have excluded standard asset provision for computation of Tier II capital from the quarter ended December 31, 2022 and have submitted the revised computation of Tier II capital to the RBI.
While conducting stress testing, the Company had taken into consideration only 20% and 50% reduction in collection scenarios and other scenarios such as non-renewal of credit facilities availed from banks and market scenarios were not taken into account. This was in violation of the instructions contained in Para A (vii) in Annex II of Master Direction for NBFC-NDSI dated September 01, 2016.	Our Company has responded stating that as per directions of the RBI, stress testing has been an integral part of overall and governance and liquidity risk management of the company and our Asset Liability Management Committee ("**ALCO**") has been monitoring various contingency scenarios monthly. Since June 2022, our ALCO has considered stress testing considering the factors like economic slowdown, higher inflation, credit rating down gradation of debt instruments of our Company, breaches in covenants, negative outlook on MFI industry as a whole by the lenders, among others, which will result in stressing our Company's cashflows as follows: (i) 10% reduction in expected collection. (ii) 20% reduction in expected collection. (iii) 20% reduction in credit line. (iv) 20% reduction in expected collection and 20% reduction in credit line. (v) 15% reduction in expected collection and 25% reduction in credit line. We have also submitted that bank credits availed by our Company are in the nature of term loans, which in general are not subject to renewal or roll over. We have availed of cash credit facility, which is subject to renewal, of ₹ 40.00 million and therefore is not significant.
The number of complaints received during the year had increased by 192.09% i.e., from 1,176 during Fiscal 2021 to 3,435 during Fiscal 2022. The number of pending complaints as on March 31, 2022 stood at 1,144. The Board should analyse the reasons for pendency of complaints and take steps	Our Company has submitted that our Board has been monitoring the grievance management mechanism regularly and taking note of the addressal status. We have also provided minutes of the same to the RBI. Further, functions of branch offices were disturbed due to COVID-19, which resulted in a spurt in the number of cases during 2022. However, with the earnest steps initiated subsequently to provide fast resolution to borrower grievances, all

Observation by the RBI	Actions/ Measures taken by our Company
to resolve the complaints in a time bound manner.	cases reported in 2022 would be closed. The number of pending complaints during the period from April 1, 2022 to December 31, 2022, stands at 88, out of which most of the cases were received within the last 30 days.
The Company had not completed uploading KYC records (including historical data) to CKYCR Registry maintained with CERSAI. This was in violation of the instructions contained in para 56(e) of Master Direction Know Your Customer (KYC) Direction, 2016 dated February 25,2016	We have noted the observation for future compliance. We also submitted that data uploading by MFIs had been exempted by CKYC *vide* letter CKYC/2022/22 dated January 20, 2022. However, prior to the exemption, we already had uploaded data for 123,864 microfinance loan borrowers. We also submitted the following responses pertaining to compliance with the relevant regulations: (i) Uploading of CKYC of Loan against Gold borrowers has been going on consistently; (ii) Uploading of historical data will be ensured and the process will be completed within the given timeline; (iii) As on June 27, 2023, upload of 1,222,562 borrowers' historical data has been completed successfully; (iv) As on July 24, 2023, 1,344,722 borrowers' historical data has been uploaded and process is ongoing; and (v) Commitment was provided for uploading historical data for 2,000,000 borrowers by September 30, 2023; and (vi) As on September 18, 2023, 1,657,166 borrowers' historical data has been uploaded.
The Company should clear the unidentified credit balances which are pending due to non-availability of borrower information in the company's accounts.	As of our response to the observation from the RBI, borrower information of all credits has been identified and unidentified credit balance is nil.
The management should analyse the reasons for high employee attrition and take steps to contain the same.	We have responded to the RBI stating that attrition of employees is a serious matter and our Board and Nomination and Remuneration Committee ("**NRC**") have been monitoring the remedial measures taken by our management to address the issue. It has been noted by the management that attrition has been taking place in all levels of organisational structure. Considering this, management has adopted various measures that open up more and fast promotional avenues to employees. Also, we have partnered with various educational institutions, so that employees at all levels can pursue suitable academic courses, keep their educational track live and acquire more qualifications. This has found acceptance among the employees and has already created a positive impact in terms of reduction of attrition. Besides the above, a new incentive scheme has been introduced which enables employees of all levels to contribute to the organisation more and enjoy quick monetary rewards. It is expected that with the simultaneous implementation of all the above, attrition would come down and will be lower than the industry standard. However, our Board/ NRC will continue to actively monitor the situation.
The Company is advised to submit the details (number) of pending historical data which is yet to be uploaded in the phased manner and submit MIS reports for the same.	As on September 18, 2023, 1,657,166 microfinance loan borrowers' data has been successfully uploaded and the process is still ongoing.

For further information in relation to observations on our attrition rate, see "- *We are dependent on our Senior Management Personnel, Key Managerial Personnel and our employees, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations, cash flows and financial condition*." on page 42
There can be no assurance that the RBI will not make other observations in the future. Further, our Company has received email dated September 4, 2023 from RBI to undertake onsite inspection of our Company's financial position as on March 31, 2023. While we attempt to comply with all regulatory provisions, directions or observations applicable to us, including in connection with RBI's inspection reports described above, we could be subject to penalties and restrictions which may be imposed by the RBI. If we are unable to resolve such deficiencies to RBI's satisfaction, our ability to conduct out business may be adversely affected. However, imposition of any penalty or adverse findings by the RBI during any future inspections may have an adverse impact on our reputation, business prospects, financial condition, cash flows and results of operations.

12. Our Promoter, Manappuram Finance Limited, a listed company with its equity shares listed on the Stock Exchanges is involved in other financial services related businesses and is subject to extensive regulatory scrutiny. Any non-compliance or perceived non-compliance by our Promoter may adversely affect our reputation, business, results of operations and prospects.

Our Promoter, MAFIL, is registered with the RBI as an NBFC-ND-SI and carries out financial services in India. NBFC-ND-SIs are subject to extensive RBI scrutiny. Any non-compliance by our Promoter with any RBI regulations applicable to it may adversely affect our business, results of operations and prospects may be adversely affected. For instance, in the past RBI has imposed penalties in relation to, *inter alia*, non-compliance with Para 26 (2) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, certain violations of the Master Directions on Issuance and Operation of Prepaid Payment Instruments dated October 11, 2017, non-compliance with directions issued by RBI under the Reserve Bank of India Act, 1934 and alleged contraventions under Section

26(6) of the Payment and Settlements Systems Act, 2007. For further information, see "*Outstanding Litigation and Material Developments – Litigations involving our Promoter - Actions taken by Regulatory and Statutory Authorities*" on page 424. In the past, our Promoter has also received certain letters of displeasure and cautionary advice from the RBI for non-compliance or violation of, *inter alia*, paragraph 9.1(i)(g) and 9(i)(j) of the Master Direction on Issuance and Operation of Prepaid Payment Instruments dated October 11, 2017 and paragraph 5.2 of the Master Direction on Money Transfer Service Scheme dated February 22, 2017. While no action was taken for these, we cannot assure you that no action will be taken for any non-compliances in the future.

In addition, MAFIL, being listed on the Stock Exchanges, is subject to various compliances under the SEBI Listing Regulations as well as periodical checks and scrutiny by the SEBI and the Stock Exchanges. For instance, in the past, MAFIL has received queries from SEBI seeking information and/or clarification to which MAFIL has appropriately responded. Additionally, MAFIL, along with certain individuals including Vazhappully Padmanabhan Nandakumar and Blangat Narayanan Raveendra Babu, has also received a notice under the SEBI (Prohibition of Insider Trading) Regulations, 1992 in matter of selective disclosure of 'unpublished price sensitive information' by our Promoter to certain analysts of an intermediary before disclosing it to the stock exchanges, for which our Promoter, Vazhappully Padmanabhan Nandakumar and Blangat Narayanan Raveendra Babu (*in their capacity as directors of our Promoter*) had entered into settlement proceedings and paid their respective settlement amounts. Further, BSE and NSE have sent notices to MAFIL for violation of the SEBI Listing Regulation for which MAFIL was required to pay penalties. For further details of letters and notices received from SEBI and stock exchanges, please see "*Outstanding Litigation and Material Developments – Litigation involving our Promoter – Litigations against our Promoter*" on page 424.

Our Promoter continues to hold a substantial interest in several entities which operate across a variety of financial services sectors, including NBFCs, and are regulated by specific regulations. For details in relation to the entities in which our Promoter is interested, see "*Our Promoter and Promoter Group – Promoter Group*" on page 263. Any adverse action against our Promoter may have an adverse impact on our ability to carry out our business and comply with regulations applicable to us, in addition to reputational harm that we may face.

13. Our Chairman, Vazhappully Padmanabhan Nandakumar has in the past received summons and notices from the Directorate of Enforcement, Ministry of Finance, Government of India ("ED") and SEBI. While these matters have either been quashed or he has not received further communication from the relevant regulator, there can be no assurance that the regulators will not take any further action against our Chairman, which may adversely impact our reputation, goodwill, and financial condition.

Our Chairman, Vazhappully Padmanabhan Nandakumar has been investigated in the past in relation to the operations of his proprietary firm, Manappuram Agro Farms ("**MAGRO**") and the acceptance of certain deposits by MAGRO. He had received a letter dated October 19, 2015 from SEBI seeking information about the deposits collected by MAGRO alleging violation of the provisions of SEBI (Collective Investment Schemes) Regulations, 1999 and SEBI Act. Additionally, the ED had (i) requested for information under Section 37(3) of the Foreign Exchange Management Act, 1999 read with Section 133(6) of Income Tax Act, 1961; and (ii) issued summons dated May 25, 2018 and December 12, 2018 under section 37(1) and (3) of the Foreign Exchange Management Act 1999, read with Section 131(1) of Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure, 1908 with respect to certain information in relation to the Manappuram group of companies under the provisions of the Foreign Exchange and Management Act, 1999, to Vazhappully Padmanabhan Nandakumar. While Vazhappully Padmanabhan Nandakumar has responded to the ED and the SEBI providing explanations as requested, documents and information as required and has also appeared in person to provide clarifications to the ED, we cannot assure you that the ED or the SEBI will not ask for any additional information or if he will be able to provide adequate information in a timely manner and to the satisfaction of the ED or the SEBI or if any penalty or other action will not be imposed or taken by the ED or the SEBI against our Chairman. Subsequently, basis an FIR filed by P. K. Sagar alleging that Vazhappully Padmanabhan Nandakumar has collected deposits in the name of MAGRO through different branches of MAFIL, the ED issued enforcement case information report dated June 9, 2022 ("**ECIR**") to Vazhappully Padmanabhan Nandakumar under provisions of the Prevention of Money Laundering Act, 2022 ("**PMLA**") and an order dated May 4, 2023 ("**PMLA Order**") to freeze the personal assets of Vazhappully Padmanabhan Nandakumar. Vazhappully Padmanabhan Nandakumar had filed a writ petition to quash the PMLA Order and a criminal miscellaneous petition to quash the ECIR. While he received favourable orders and the ECIR as well as the PMLA Order have been quashed by the High Court of Kerala at Ernakulam pursuant to orders dated August 25, 2023 and September 12, 2023, respectively, we cannot assure you if ED may file any appeal or ask Vazhappully Padmanabhan Nandakumar for additional information and documents to conduct any other investigations. For details, see "*Outstanding Litigation and Material Developments – Litigation involving our Directors*" on page 427.

Additionally, our Chairman, along with the certain directors of MAFIL had received a notice from SEBI to show cause why an inquiry should not be held against them for violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992. For details, see "*Outstanding Litigation and Material Developments – Litigation involving our Promoter - Disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoter in the five Financial Years preceding the date of this Draft Red Herring Prospectus*" on page 425.

14. We are subject to laws and regulations governing the financial services industry and particularly to the Microfinance Loans Directions, including laws in relation to capital adequacy ratios. Changes in laws and regulations governing our business could adversely affect our business, results of operations, cash flows and prospects.

As an NBFC-MFI, we are required to comply with various regulatory requirements such as the Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ("**Microfinance Loans Directions**"), under which we are required to comply with certain compliances and conditions, including but not limited to forming board-approved policies (i) for assessing the household income of borrowers; (ii) determining limits on the outflows on account of repayment of monthly loan obligations of a household, as a percentage of monthly household income, which is capped at 50% of monthly household income; (iii) for pricing of microfinance loans; (iv) for providing flexibility of repayment periodicity on microfinance loans, as well as adopting a fair practices code of conduct towards borrowers in line with the Microfinance Loans Directions and putting in place a mechanism for recovery of loans which is borrower friendly while ensuring that a minimum of 75% of our total assets are 'microfinance loans'. For further information, see *"Key Regulations and Policies"* on page 221.

In the event microfinance loan disbursements slow down, or there is increase in assignment or co-lending arrangements, or in similar circumstances that lead to reduction in the quantum of our microloan portfolio, we may be in breach of the requirement to maintain 75% of our loan assets in microfinance.

Further, we are required to maintain a minimum capital to risk weighted assets ratio ("**CRAR**") comprising Tier I and Tier II capital of not less than 15% of our aggregate risk weighted assets on-balance sheet and the risk-adjusted value of off-balance sheet items. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. Set forth below are details of our Company's capital risk to asset ratios as of the dates indicated:

Particulars	**As of/ For the year ended March 31,**			**As of June 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(in percentages, except ratios)				
Capital Adequacy Ratio (%)	22.93%	20.24%	20.03%	19.26%	23.12%
Tier I Capital (%)	19.24%	15.84%	15.58%	15.40%	17.84%
Tier II Capital (%)	3.68%	4.40%	4.45%	3.86%	5.27%

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 applicable capital adequacy ratios. Further, the RBI may increase its minimum CRAR threshold, which may require us to raise additional capital. Further, we may need to raise funds to comply with our policy for our internal capital adequacy assessment process, as a middle layer NBFC. In addition, adverse regulatory developments relating to the assessment and recognition of NPAs and provisioning may have an adverse effect on our financial performance. Our repayment schedules may not be adequate to cater to any losses arising out of unanticipated adverse regulatory developments.

Changes in applicable regulations, changes to or introduction of new regulations, including those requiring compliance with other prudential norms and standards, may require us to alter our business, employee strength, technology systems and accounting. For instance, following the introduction of the guidelines on Income Recognition, Asset Classification and Provisioning in 2020, we are required to classify loans as NPAs when days past due crosses 90 and maintain these as special mention accounts till the days past due become zero. If there are any technology lapses relating to such classification, we may be subject to penalties. Further, in 2010, the government of Andhra Pradesh halted operations of private microfinance organizations in the state, adversely affecting their recovery and liquidity. Similar change in laws may adversely impact our operations. In addition, we are also subject to the corporate laws, taxation laws and other laws in effect in India which require continued monitoring and compliance on our part. If we fail to comply with these requirements, or if a regulator observes we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

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

We are required to obtain, and have obtained, certain statutory and regulatory licenses and approvals in India for our operations. For further information, see "*Government and Other Approvals*" on page 431. We may be required to obtain new registrations, permits and approvals for our business, as a result of change in current regulations or for any proposed expansion strategy. There can be no assurance that the relevant authorities will grant or renew such approvals in a timely manner or at all. If we fail to obtain any applicable approvals, licenses, registrations or consents in a timely manner or at all, some of our contracts with third parties may be terminated and we may not be able to undertake certain operations of our business.

A majority of these approvals are granted for a limited duration and are subject to numerous conditions. For example, our Company has a certificate of registration from the RBI to operate as an NBFC-MFI, which requires our Company to comply with certain terms and conditions for our Company to continue our operations as an NBFC-MFI. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labour-related registrations (including labour welfare fund, employee state insurance and employee provident fund) and GST registrations of the particular state in which we operate.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims that we have not complied, with any of these conditions, we may be liable to fines or penalties, and our certificates of registration may be suspended or cancelled and we would no longer be able to carry on such activities required for our business.

16. Our Company, Directors and Promoter are or may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.

There are outstanding legal and regulatory proceedings involving our Company, Directors, Promoter and Group Companies which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The summary of such outstanding legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation*	Aggregate amount involved (₹ in million)(1)
Company						
By the Company	615	N.A.	N.A.	N.A.	2	509.76
Against the Company	Nil	9	2	N.A.	Nil	738.17
Directors						
By the Directors	3	N.A.	N.A.	N.A.	Nil	1.30
Against the Directors	2	2	3	N.A.	Nil	33.42
Promoter						
By Promoter	24,145	N.A.	N.A.	N.A.	4	6,270.66
Against Promoter	22	10	5	6	Nil	997.84

(1) To the extent ascertainable and quantifiable.
** Determined in accordance with the Materiality Policy.*

Our Group Companies are not party to any pending litigation which will have a material impact on our Company. We cannot assure you that any of these on-going matters will be settled in favour of our Company, or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company or our Promoter or Directors in the future. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. For further information, see "*Outstanding Litigation and Material Developments*" on pages 422. Additionally, the name of one of our directors, Subrata Kumar Atindra Mitra, currently appears on the web-portal of CIBIL, as a director of a company which has defaulted in loans availed from a financial institution. We cannot assure you if any legal action will be taken against Subrata Kumar Atindra Mitra in the future which could impact his capacity to continue to act as a director on our Board.

Financial Risks

17. We have incurred net loss of ₹ 86.92 million in the three months ended June 30, 2022, and we may not be able to achieve or maintain profitability in the future, thereby restricting our cash flows and ability to raise capital and expand our business.

We reported net loss of ₹ 86.92 million for the three months ended June 30, 2022, primarily owing to the impact of COVID-19 on our operations. We may incur losses in the future. We expect to continue to make substantial expenditures in the future to develop and expand our business, which may result in us incurring future losses. Our new branches require a gestation period and demonstrate increasing productivity as they mature, which may create a period in which we are not able to see return on our expenditures. For further information, see "*Management's Analysis and Discussion of Financial Condition and Results of Operations*" on page 381. We may not generate sufficient revenue for various reasons, including increasing competition, challenging macro-economic environment, the ramifications of events such as pandemics, as well as other risks discussed elsewhere in this Draft Red Herring Prospectus. Further, our failure to achieve or maintain profitability may adversely affect the market price of the Equity Shares, restrict our cash flows and ability to pay dividends and impair our ability to raise capital and expand our business.

18. We have experienced negative cash flows from operating activities in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our cash flows for the periods indicated:

Particulars	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**Three Months Ended June 30,**	
				2022	**2023**
	(₹ million)				
Net cash flows from/ (used in) operating activities	(2,675.54)	(1,502.34)	(23,849.34)	1,226.36	6,899.16

We experienced negative cash flows as a result on increase in the volume of disbursements in line with business requirements. In Fiscal 2021 and 2022, our profit before tax was low, reflecting to an extent the impact of the COVID-19 pandemic, which led to lower collections. At the same time, the volume of disbursements led to negative operating cash flows. Following the COVID-19 pandemic, our borrowers' disbursement requirements surged, leading to negative operating cash flows. 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. We may face a shortfall of capital in future as a result of negative cash flows and there can be no assurance that we will be able to raise adequate capital in future. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 410.

19. As of June 30, 2023, we had contingent liabilities which have not been provided for in our financial statements and could adversely affect our financial condition.

As of June 30, 2023, our contingent liabilities and commitments as per the Restated Financial Information, were as follows:

Particulars	**As of June 30, 2023 (₹ million)**
Claims against the company not acknowledged as debt	-
Guarantees excluding financial guarantees	-
Other money for which the Company is contingently liable	
Income Tax	
- Assessment Year 2015-2016	112.45
- Assessment Year 2016-2017	-
- Assessment Year 2017-2018	152.14
- Assessment Year 2020-2021	195.35
- Assessment Year 2021-2022	50.14
Commitments	-
Total	**510.08**

For further information, see "*Restated Financial Information – Note 41*" on page 353. We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

20. Our Statutory Auditors have included certain emphasis of matter in their examination report on the Restated Financial Information.

Our Statutory Auditors have included the following emphasis of matters in their examination report on the Restated Financial Information:

Three months ended June 30, 2022 and June 30, 2023

Our Statutory Auditors have specified that the special purpose interim Ind AS Financial Statements as at and for the three months ended June 30, 2022 and June 30, 2023 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. These special purpose interim Ind AS Financial Statements have been prepared pursuant to the requirements to prepare the Restated Financial Information, which will be included in the Draft Red Herring Prospectus in connection with the Issue. As a result, the special purpose interim Ind AS Financial Statements may not be suitable for another purpose. Our Statutory Auditor's report is intended solely for the use of management and Board of Directors for the Issue and should not be distributed to or used for any other purpose.

Fiscal 2023

"*We draw attention to Note 64 to the Standalone Financial Statements in relation to the restatement of the comparative financial information for the year ended March 31, 2022 relating to the accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the parent entity's accounting policy and the requirements of Ind AS 109 'Financial*

Instruments'."

Fiscal 2021

(a) "*We draw attention to Note 2 to the special purpose Ind AS Financial Statements, which describes the basis of preparation. The special purpose Ind AS Financial Statements for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, except that they do not contain comparative information and related disclosures and explanatory notes.*

The special purpose Ind AS Financial Statements are prepared pursuant to the requirements to prepare the Restated Financial Information, which will be included in the Draft Red Herring Prospectus in connection with the IPO. As a result, the special purpose Ind AS Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed or be used for any other purpose.

(b) *We draw attention to Note 66 to the special purpose Ind AS Financial Statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's financial performance will depend on future developments, which are highly uncertain. The Financial Statements do not include any adjustments that might result from the outcome of this uncertainty except to the extent stated in the said note.*

(c) *As more fully described in Note 66 to the special purpose Ind AS Financial Statements, the Company has restructured borrower accounts in accordance with resolution framework for COVID-19 related stress announced by the RBI vide notification dated August 6, 2020.*

(d) *We draw attention to Note 52 to the special purpose Ind AS Financial Statements, which describes the adjustments made to the opening reserves to give effect to the prior period errors related to ESOP accounting and consequential tax impact*."

In addition, our Statutory Auditors have included the following other matter in connection with the year ended March 31, 2022:

"The Standalone Financial Statements of the Company as at March 31, 2021 were audited by the predecessor auditor, who have expressed an unmodified opinion on those Standalone Financial Statements vide their audit report dated May 24, 2021."

Our Statutory Auditor's opinion is not modified in respect of any of these opinions. For further information, see, "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 301 and 381, respectively.

There can be no assurance that any similar emphasis of matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

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

As of June 30, 2023, loans with a tenure of 12 months or less, 12 months to 36 months and above 36 months constitute 71.04%, 26.98% and 0.03%, respectively of our total assets. Set forth below is a break-down of our assets and liabilities based on tenure, indicating our asset-liability gap as of June 30, 2023:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month up to 2 Month	Over 2 months up to 3 months	Over 3 month and up to 6 month	Over 6 month and up to 1 year	Over 1 year and up to 3 years	Over 3 year and up to 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks and NBFCs	327.6	840.40	1,590.10	3,204.40	3,864.00	8,570.10	15,140.20	25,140.40	1,049.03	-	59,726.23
Market Borrowings	-	488.00	-	-	65.00	146.67	2,712.00	5,771.67	1,050.00	3,250.00	13,483.34
Securitization	-	132.09	1,780.30	1,885.31	2,057.74	5,191.00	8,684.57	3,734.56	-	-	23,465.57
Total	**327.60**	**1,460.49**	**3,370.40**	**5,089.71**	**5,986.74**	**13,907.77**	**26,536.77**	**34,646.63**	**2,099.03**	**3,250.00**	**96,675.14**
Assets											
Advances	1,399.31	1,399.31	3,198.43	6,707.69	6,255.28	17,055.74	43,895.91	30,345.34	36.56	2.53	110,296.10
Investments	-	-	-	-	-	-	-	-	-	2,186.39	2,186.39
Total	**1,399.31**	**1,399.31**	**3,198.43**	**6,707.69**	**6,255.28**	**17,055.74**	**43,895.91**	**30,345.34**	**36.56**	**2,188.92**	**112,482.49**
Gap	**1,071.71**	**(61.18)**	**(171.98)**	**1,617.98**	**268.54**	**3,147.97**	**17,359.14**	**(4,301.29)**	**(2,062.46)**	**(1,061.08)**	**15,807.35**

As of June 30, 2023, ₹ 102,400.33 million, or 91.04% of our overall assets is derived from our microfinance loan business. These assets have an average maturity period of 24 months, compared to our borrowings tenor of 25.26 months. However, as of June 30, 2023, 3.87% of the Loans against Gold we offer are due within six to nine months of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income. The relatively short term nature of such Loans against Gold may affect our ability to maintain steady long terms revenues. Any mismatch in the maturity profile of our assets and liabilities may lead to a liquidity risk and have an adverse effect on our business, cash flows and results of operations. For instance, we faced liquidity constraints during the COVID-19 pandemic. For further information, see " - *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, cash flows and financial condition*." on page 28.

22. We may enter into related party transactions in the ordinary course of our business and may continue to do so in future. There may be conflicts of interest associated with such transactions and there can be no assurance that such transactions will not have an adverse effect on our results of operation and financial condition.

We have entered into related party transactions in the three preceding Fiscals and the three months ended June 30, 2023, each of which have been undertaken on an arms' length basis and have been approved by our Audit Committee, Board, Shareholders, or as required by law.

We may also, from time to time, enter into related party transactions in the future. To the extent we may extend loans or advances to related parties, provide guarantees or security, enter into contracts envisaging delivery of services, we may face risks in relation to default by such related parties or potential non-recovery or non-performance of contractual obligations. All related party transactions that we may enter into post-listing, will also be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Set forth below are details of our related party transactions in the corresponding periods:

Fiscal						**Three months ended June 30,**			
2021		**2022**		**2023**		**2022**		**2023**	
Related party transactions (₹ million)	**% of total income (%)**	**Related party transactions (₹ million)**	**% of total income (%)**	**Related party transactions (₹ million)**	**% of total income (%)**	**Related party transactions (₹ million)**	**% of total income (%)**	**Related party transactions (₹ million)**	**% of total income (%)**
221.89	2.06%	238.62	1.69%	4,134.10	23.50%	56.96	1.58%	4,377.60	67.17%

The quantum of such related party transactions may vary across periods. For instance, we have availed term loans amounting to ₹ 1,300.00 million in Fiscal 2023, as well as term loan of ₹ 1,200.00 million and subordinated debt of ₹ 1,500.00 million in the three months ended June 30, 2023, from our Promoter, which is reflected in the related party transactions. Issue of rights shares amounting to ₹ 2,452.97 million and ₹ 1,464.42 million in Fiscal 2023 and the three months ended June 30, 2023 is also reflected in our related party transactions in the corresponding periods. In addition, we have entered into certain categories of related party transactions, which are primarily rent interest payment, commission, issue of rights shares, loans availed (including loans availed from our Promoter), remuneration to KMPs, payment of sitting fees, among others. We have also entered into agreements with our Promoter for sharing premises relating to our MSME Loan portfolio and as of June 30, 2023, we shared six branches with our Promoter. For further information, see "*Our Business - Business Operations – Branch Network*" on page 204. Our employees also avail of a digital learning platform developed by MAFIL to provide consulting and training services, pursuant to an agreement dated August 13, 2021. We also avail of technology services from Manappuram Comptech and Consultants Limited, a member of our Promoter Group and our Group Company. For further information, see "- *We rely significantly on our information technology systems for our business and any inadequacy or security breach in such systems could adversely affect our results of operations, cash flows and reputation*." on page 31. For further information on the relevant transactions, see "*Restated Financial Information – Note 36. Related Party Transactions*" on page 344. 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, in spite of obtaining the necessary approvals. 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.

23. We have availed unsecured loans which can be recalled by lenders at any time.

We have availed unsecured loans, the outstanding amount of which is ₹ 7,631.11 million, or 9.27% of our total borrowings as of August 31, 2023, which may be recalled by our lenders on demand. We have availed term loans amounting to ₹ 1,300.00 million in Fiscal 2023, as well as term loan of ₹ 1,200.00 million and subordinated debt of ₹ 1,500.00 million in the three months ended June 30, 2023, from our Promoter. In such cases, the lenders may require repayment of the facility at any point in time during the loan tenure. While no loans have been recalled in the three preceding Fiscals and the three months ended June 30, 2023, in case any such unsecured loans are recalled on demand by our lenders and we are unable to repay the outstanding amounts under the facilities at that point, it would constitute an event of default under the respective loan agreements. For further information, see "*Restated Financial Information*" and "*Financial Indebtedness*" on pages 301 and 418, respectively.

Other Risks

24. Our Promoter and Directors may have interest in entities which are in businesses similar to ours. Our Promoter, Manappuram Finance Limited, is primarily engaged in the business of providing loans against gold and MSME loans, which are also products that we offer. Accordingly, the interests of our Promoter or some of our Directors may conflict with our interests or the best interests of our other shareholders.

Our Promoter and our Directors may have interest in entities, to the extent of their shareholding and/or directorships, which are engaged in a line of business similar to ours and this may result in conflict of interest. For instance, our Chairman and Non-Executive Director, Vazhappully Padmanabhan Nandakumar, our Non-Executive Director Sumitha Jayasankar and our Independent Directors, Abhijit Sen and Harshan Kollara Sankarakutty are directors on the board of directors of our Promoter as well. Further, certain of our directors are directors on the board of directors of companies that engage in the similar line of business as that of our Company. For further information, see "*Our Management*" on page 240.

Further, conflicts may arise between our Promoter and us in connection with our operations in our Loan against Gold portfolio, which we offer through 515 branches across 14 States and one Union Territory, as of June 30, 2023. Our Promoter is also engaged in the Loan against Gold business and as of June 30, 2023, there are 14 States and one Union Territory, where we, as well as our Promoter, have branches. Set forth below are details of our Loan against Gold portfolio, which comprises a limited part of our AUM, as follows:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
Loan Against Gold AUM (₹ million)	25.34	3,005.69	7,053.20	4,208.14	7,895.77
Loan Against Gold AUM, as a percentage of total AUM (%)	0.04%	4.29%	7.02%	6.00%	7.79%

Though we endeavour to maintain adequate geographic distance from our Promoter's existing branches while setting up our new Loan against Gold branches, there is no formal arrangement between us to this effect. Accordingly, if our Promoter pursues the same geographic locations or borrowers for Loans against Gold whom we aim to attract, we may not be able to compete effectively. In addition, there may be conflicts of interest to the extent our operations and growth strategies in the Loan against Gold segment overlap with our Promoter. Similarly, our Company and our Promoter both offer MSME Loans to borrowers, and six branches as of June 30, 2023, are shared by us. There can be no assurance that our Promoter will not prioritise its own Loan against Gold or MSME Loan operations. For further information, see "*Our Promoter and Promoter Group*" on page 260.

We cannot assure you that our Promoter and Directors will not provide competing services or otherwise compete in business lines in which we are already present or will enter into in the future. In the event that any conflicts of interest arise, our Promoter and Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects. Should we face any such conflicts in the future, there is no guarantee that they will get resolved in our favour.

25. Our Promoter will be able to exercise significant influence and control over us after the Issue 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 Promoter holds 97.59% (*on a fully diluted basis*) of the share capital of our Company. For further information on their shareholding pre and post Issue, see "*Capital Structure - Build-up of the Equity shareholding of our Promoter in our Company*" on page 79. After the completion of the Issue, our Promoter will continue to hold substantial shareholding in our Company, 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. The interests of the Promoter as our controlling shareholder could conflict with our interests or the interests of our other shareholders.

26. COVID-19 has had, and any future outbreak of a pandemic could have, certain adverse effects on our business, operations, cash flows and financial condition.

The COVID-19 pandemic, or a similar outbreak, may affect our business, results of operations, cash flows and financial condition in a number of ways such as: (i) We granted a six month moratorium to all borrowers who were less than or equal to 90 days past due as of February 28, 2020, in respect of instalments falling due between March 1, 2020 and August 31, 2020 (the first due date should have been earlier, as we have billing cycles of 28 days); (ii) Increase in the level of write-offs from ₹ 1,434.61 million in Fiscal 2021 to ₹ 3,945.28 million in Fiscal 2022 and which subsequently improved to ₹ 1,120.59 million in Fiscal 2023.

Similar outbreaks could lead to increased vulnerability to our business and operations. Such events may adversely affect overall business sentiment, as well as our business, results of operations, cash flows and financial condition. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this section. Such events may limit our ability to procure capital from banks and financial institutions. Increase in cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of individuals working from home, potential negative impact on the health and safety of our personnel, affect our ability to procure capital from banks and financial institutions.

27. We are dependent on our Senior Management Personnel, Key Managerial Personnel and our employees, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations, cash flows and financial condition.

As of June, 2023, we employed 16,034 full-time employees. Our ability to compete depends upon our ability to attract, motivate, and retain qualified personnel. We are dependent on the continued contributions of our Board and are also guided by other Senior Management Personnel with diversified experience. The inputs and experience of our Senior Management Personnel and Key Managerial Personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. In Fiscal 2023 and the three months ended June 30, 2023, our attrition rate for all employees, including those on probation, was 67.99% and 17.18%, respectively. In the same periods, our attrition rate for our senior management, comprising personnel above the General Manager level, stood at 44.20% and 17.84%, respectively. Most of our operations were moved to Valapad in Kerala from Chennai in Tamil Nadu in April 2023, in consideration of certain business objectives and administrative conveniences and this shift resulted in attrition of employees, in the lead-up to such shift, including at the senior levels.

Further, in the RBI inspection reports for Fiscal 2021 and 2022, RBI has directed our Company to analyse the reasons for high employee attrition rate and to take actions to contain the same. While we have put in place certain measures to reduce the attrition rate and same was provided in response to the RBI, we cannot assure you if our policies will be enough to reduce the attritions rate of employees in our Company. For details, see "- *As a NBFC-MFI, we are subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions, which may have an adverse effect on our business, results of operations, cash flows and financial condition*." on page 33

If we continue to have a high attrition rate may reduce productivity levels and a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, our results of operations, financial condition and our cash flows. For information in relation to change in our KMPs and Senior Management Personnel in the last three years, see "*Our Management – Changes in the Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years*" on page 258.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations, cash flows and financial condition.

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

The financial services market for our products is being served by a range of financial entities selectively or across all products, including by MFIs, traditional National Banking institutions, captive finance affiliates of players in various industries, NBFCs and small finance banks approved by RBI to enhance credit penetration. In particular, in our microfinance loan portfolio, we compete with NBFC-MFIs who are the top 10 players in terms of AUM ("**MFI Peer Group**"), small finance banks and Bandhan Bank, who have loan portfolios inclined towards the MFI segment. For further information, see "*Industry Overview – Peer Comparison*" on page 171. Many of these competitors may have greater financial resources, may be larger in terms of business volume and may have lower cost of funds compared to us. Many of them may also have greater geographical reach, long-standing partnerships and may offer their borrowers multiple forms of financing with differential interest rates or higher ticket sizes that we may not be able to provide, or have better brand recognition and larger borrower bases. In addition, we compete with informal sources of lending for microfinance loans, including moneylenders, landlords, local shopkeepers and traders. Our ability to increase interest rates on the loans we extend is also limited by the increasing popularity of standardized and variable interest rate financing products, variable payment terms and lower processing fees introduced by our competitors.

Any changes in the relevant laws or regulations by the RBI to correct, clarify or amend regulatory subject matters may result in the diminishment of available exemptions or benefits. For example, from August 6, 2020 to March 31, 2021, the RBI permitted banks to provide loans against gold with a LTV of up to 90% for non-agricultural purposes, while the LTV requirements for NBFCs remained unchanged. Players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) may enter the lending business, intensifying competition. We cannot assure you that changes in relevant laws and regulations in the future will not result in an increase in competition from other players. Liberalization of the Indian financial services sector could also lead to a greater presence or new entries of Indian and foreign banks, NBFCs, and other entities offering a wider range of products and services. Increasing competition may consequently have an adverse effect on our prospects, results of operations, cash flows and financial condition.

29. 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 and reputation.

Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. We have an internal audit team of 441 employees, as of June 30, 2023, which functionally reports to Audit Committee and operationally to our Managing Director. Our audit structure for microfinance loans includes centre and branch visits, disbursement audits, branch audits and delinquency verification. For Loans against Gold, we undertake gold inventory verification and tallying, checks of electronic and physical security devices, and have set in place risk-based alerts based on specified criteria. Recognizing the higher risk inherent in our Loan against Gold operations based on physical handling of gold, our inspection audit and security audit take place every 45 days, document audit takes place every 90 days and packet verification takes place every 120 days. All microfinance loan branches are audited at least once every month and reports are sent to the respective branch heads for necessary action.

While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems. Other than as disclosed in "- *We have received show cause notices and warning in the past for failure to implement an effective transaction monitoring and reporting system that creates alerts for suspicious or inconsistent transactions. Our inability to detect alerts for 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*." on page 32, we have not faced any material instances of failure of internal processes and systems in the three preceding Fiscals and the three months ended June 30, 2023, our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

Our management information systems, internal audit/ vigilance system and internal control procedures may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to identify the root cause and correct such weakness. Owing to our volume of transactions and wide geographic presence, there may be lapses in timely completion of internal audit as per the schedule. It is possible that errors may repeat or compound before they are discovered and rectified. Failures or material errors in our internal systems may lead to events such as inaccurate financial reporting, fraud and failure of critical systems and infrastructure. For further information, see "- *We are exposed to operational risks such as unauthorized transactions, fraud, misappropriation and embezzlement in course of collections, which could adversely affect our business, results of operations and financial condition*." on page 43.

30. We are exposed to operational risks such as unauthorized transactions, fraud, misappropriation and embezzlement in course of collections, which could adversely affect our business, results of operations and financial condition.

We handle high volumes of cash and gold jewellery in a dispersed network of branches. We have been the subject of few instances of fraud in the past, amounting to ₹ 162.25 million across 178 instances, between April 1, 2020 and June 30, 2023, as has been reported to RBI, which are in the nature of theft, fraud by our staff and borrowers.

<u>*Microfinance loan security risk*</u>

In our microfinance loan portfolio, we are exposed to operational risks, including failure to obtain proper internal authorisations, improperly documented transactions, failure to adequately deal with the risks associated with significant cash collections, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. Set forth below are details of misappropriation or unauthorized transactions by employees in the corresponding periods:

As of/ For the Year Ended March 31,									As of/ For the Three Months Ended June 30,					
2021			2022			2023			2022			2023		
Cash embezzlement (₹ million)	Recovery amount (₹ million)	% recovered	Cash embezzlement (₹ million)	Recovery amount (₹ million)	% recovered	Cash embezzlement (₹ million)	Recovery amount (₹ million)	% recovered	Cash embezzlement (₹ million)	Recovery amount (₹ million)	% recovered	Cash embezzlement (₹ million)	Recovery amount (₹ million)	% recovered
Including staff fraud and robbery														
24.48	2.51	10.25%	11.25	6.37	56.64%	56.03	41.64	74.31%	2.70	1.54	56.95%	22.51	4.38	19.49%
Excluding robbery														
23.30	2.51	10.77%	10.29	6.29	61.13%	55.89	41.64	74.50%	2.70	1.54	56.95%	22.09	4.38	19.82%

<u>*Loan against Gold security risk*</u>

Similarly, in our Loan against Gold portfolio, we have carried tonnage of gold at our Loan against Gold and hybrid branches, amounting to 0.01 tonnes, 0.99 tonnes, 2.11 tonnes, 1.34 tonnes and 2.27 tonnes as of March 31, 2021, 2022, 2023 and as of June 30, 2022 and 2023, respectively, exposing us to security risks associated with such gold. In particular, in June 2023, our audit function discovered a fraud amounting to ₹ 81.11 million at our Loan against Gold branch in Islampur, West Bengal. Here, the Branch Head pilfered gold ornaments pledged in gold packets by our borrowers to open fictitious accounts and pledged these for higher value to generate funds for personal use. Set forth below are details of frauds pertaining to gold we have reported to regulators in the corresponding periods:

As of/ For the Year Ended March 31,						As of/ For the Three Months Ended June 30,			
2021		2022		2023		2022		2023	
Gold fraud (₹ million)	% recovered	Gold fraud (₹ million)	% recovered	Gold fraud (₹ million)	% recovered	Gold fraud (₹ million)	% recovered	Gold fraud (₹ million)	% recovered
-	-	2.31	51.00%	45.67	67.38%	3.95	73.78%	81.11	-

Our employees may become targets 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. While we endeavour to increase our non-cash collections, we cannot guarantee that we will be successful in our efforts to move towards digital collections. Set forth below are details of our cash collections in the relevant periods:

As of/ For the Year Ended March 31,						As of/ For the Three Months Ended June 30,			
2021		2022		2023		2022		2023	
Cash collections (₹ million)	% of total collections	Cash collections (₹ million)	% of total collections	Cash collections (₹ million)	% of total collections	Cash collections (₹ million)	% of total collections	Cash collections (₹ million)	% of total collections
46,156.41	100.00%	45,251.05	93.16%	54,331.42	85.39%	12,494.36	87.10%	17,305.65	84.52%

Publicity arising from disclosure of such events and fraud may also have an adverse impact on our borrowers' confidence in our security measures and adversely affect our goodwill and brand. Our Company has filed various criminal cases for cheating, frauds, misappropriation of funds, committing fraud against the Company. For further information, see "*Outstanding Litigation and Material Developments – Litigation involving our Company*" on page 422.

31. 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.

Our operations are subject to various risks inherent to the finance industry, as well as fraud, theft, robbery, acts of terrorism and other force majeure events. Our insurance policies may not provide adequate coverage in certain circumstances, such as the COVID-19 pandemic, credit loss, loss of profit and are subject to certain deductibles, exclusions and limits on coverage. Set forth below are details of our insurance coverage, as of the corresponding dates:

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
Insured assets (carrying value) (₹ million)	59,094.66	65,845.37	91,791.82	64,739.98	92,538.17
Percentage of our total assets (excluding goodwill, building-right of use assets and intangible assets) (%)	99.47%	98.97%	98.73%	98.90%	99.39%

Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. While we have not experienced significant claims for insurance which have been rejected in the three preceding Fiscals, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance to cover all potential losses. While we obtain separate insurance for the gold that is provided in connection with our Loan against Gold portfolio, there can be no assurance that such insurance will be adequate to cover the existing market value of gold. We apply for the renewal of our insurance coverage in the normal course of our business and while there have been no material instances of renewal applications being rejected in the three preceding Fiscals and the three months ended June 30, 2023, 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 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 results of operations, financial condition and cash flows could be adversely affected. For information in relation to our insurance coverage, see "*Our Business – Insurance*" on page 220.

32. We may not be able to identify, monitor and manage risks or effectively implement our risk management policies, which could adversely affect our business, financial condition and results of operations.

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted significant resources to develop and implement our risk management policies and procedures based on checks and balances required to manage various risks and intend to continue doing so in the future. However, there may be human error in assessing the right data at the right time in order to develop or modify appropriate risk management policies and procedures. We have policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our asset management policy, credit policy, whistle blower and vigilance mechanism, fair practices code, grievance redressal policy, internal guidelines on corporate governance, investment policy, risk management policy, IT policies and procedures, and KYC and anti-money laundering policy. Our Board of Directors and various Board Committees, including the Risk Management Committee, review our internal policies and procedures, including our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions, and carry out periodic IT audits to identify risk areas. In the past, our IT audit report has noted lapses such as non- encryption of hard disk drive of end points, non-implementation of multi factor authentication and single sign-on for critical applications and infrastructure, and insufficient data protection capabilities at the database level. In addition, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management processes may not be automated and subject to human error, such as the process required to assess an applicant's income, expenses and other payment obligations. Some of our methods of managing risks are based on the use of observed historical market behaviour and may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

In addition, as we seek to expand the scope of our operations, we also face the risk of inability to develop commensurate risk management policies and procedures. Other risk management methods depend upon an evaluation of information regarding the markets we operate in, the borrowers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. Our earnings are dependent upon the effectiveness of our management of changes in asset quality and risk concentrations, the accuracy of our underwriting, evaluation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. For further information, see "- *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 and reputation*." on page 43. If we fail to effectively implement our risk management policies, it could have an adverse effect on our business, results of operations, cash flows and financial condition.

33. Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Set forth below are details of our credit ratings in the three preceding Fiscals and as of the date of this Draft Red Herring Prospectus:

Instrument	**Rating**			
	As of March 31,			**As of June 30, 2023**
	2021	**2022**	**2023**	
Long term bank facilities	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Long term NCD	CRISIL AA-/ Stable, BWR AA-/ Stable, CARE A+ Stable	CRISIL AA-/ Stable, BWR AA-/ Stable, CARE A+ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Long term subordinated debt	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Commercial paper	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA-r/ Stable	CRISIL PPMLD AA-r/ Stable	CRISIL PPMLD AA-/ Stable	CRISIL PPMLD AA-/ Stable
MFI Grading	CARE MF1	CARE MF1	CARE MF1	CARE MF1
COCA Report	C1 - SMERA	M1C1 - SMERA	M1C1 - SMERA	M1C1 - SMERA

While there has been no downgrade in our credit ratings in the three preceding Fiscals and the three months ended June 30, 2023, any downgrade in our credit ratings could increase borrowing costs, result in an event of default under certain of our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, cash flows and our business. In addition, any downgrade in our credit ratings could result in a recall of existing facilities, increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and impair our ability to raise new capital on a competitive basis, which may adversely affect our business, results of operations, cash flows and financial condition. For information on our borrowings, see "*Financial Indebtedness*" on page 418.

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

Certain information regarding the industry and the market in which the Company operates, included in this Draft Red Herring Prospectus has been derived from the report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry*" dated September, 2023 ("**CRISIL Report**") prepared by CRISIL appointed and exclusively commissioned by our Company pursuant to letter dated July 6, 2023 at an agreed fees to be paid by our Company and is available on the website of our Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry_Report.pdf . The report is a paid report and is subject to various limitations and based upon certain assumptions, parameters and conditions that are subjective in nature. It also uses certain methodologies for market sizing and forecasting which may or may not be accurate.

Industry sources and publications are also prepared based on information as of specific dates. Further, there is no assurance that such information has been compiled or presented on the same basis as may be presented elsewhere. In addition, statements from third parties that involve estimates, projections, forecasts and assumptions are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue. For the disclaimer associated with the CRISIL Report, see, "*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data*" on page 15.

35. As of the date of this Draft Red Herring Prospectus, our application for trademark of our name and logo remains pending. We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.

As of the date of this Draft Red Herring Prospectus, we have applied for registration of trademark for the word "Asirvad Micro Finance Limited" in our name and logo with the Trade Marks Registry of India. We cannot assure you that such registrations will be granted in a timely manner or at all. Our applications may be challenged and we may have no recourse against parties who use our name and logo till such time as these trademarks are registered. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation, and goodwill. We have also received a notice dated September 19, 2023 from third party alleging that our use of the tag line "*Small Loans Big Dreams*" infringes the trademark held by it, and urging us to stop use of the tagline. For further information, see "*Government and Other Approvals*" on page 431.

While we take care to ensure that we comply with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. Further, while we have obtained a no objection from our Promoter for the tag line "*Subsidiary of Manappuram Finance Ltd.*" being used as a part of our logo, we cannot assure you if in the future this no objection maybe withdrawn and we may face any lawsuits for continuing to use this tag line.

We cannot assure you that we will not be involved in intellectual property disputes in the future, including disputes relating to our pending trademark applications. Any intellectual property claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages, potentially including enhanced statutory damages if we are found to have wilfully infringed intellectual property rights. While such claims by third parties have not been made to us historically, the occurrence of any of the foregoing would adversely affect our business operations and financial results.

36. We have geographic concentration in certain States and therefore are dependent on the general and regional economic, geopolitical and natural conditions and activities in such states and regions.

Set forth below are details of our AUM distribution as of June 30, 2023 in our top five States in terms of AUM:

Particulars	AUM as of June 30, 2023 (₹ million)	Percentage of Total AUM (%)
Tamil Nadu	13,964.12	13.77%
Bihar	12,914.17	12.74%
West Bengal	11,572.14	11.41%
Karnataka	9,105.08	8.98%
Uttar Pradesh	7,888.26	7.78%

Our branches are also located primarily in Karnataka, West Bengal, Bihar, Tamil Nadu and Uttar Pradesh. For further information on a state-wise breakdown of our branches and AUM, see "*Selected Statistical Information – Overall AUM by State/Territory*" on page 281. Our concentration in certain States indicated above where our operations are focussed, exposes us to adverse geological, ecological, economic and/or political circumstances in those respective regions. If there is a sustained downturn in the economy of those regions or a sustained change in financial patterns, adverse political developments or regional calamities, our financial position may be adversely affected.

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

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares pursuant to issues at a price that may be lower than the Issue Price. For instance, we have undertaken rights issues of Equity Shares. For further information, see "*Capital Structure – Notes to Capital Structure – Share capital history of our Company*" on page 74. 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.

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

Set forth below are our average LTV ratios on AUM on origination basis for the corresponding periods, for our Loans against Gold:

Average LTV on AUM on Origination Basis (%)	**As of March 31,**			**As of June 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Loan against Gold	62%	66%	64%	67%	63%

If gold is provided as collateral: (i) its price may decrease depending on market conditions and if borrowers do not repay their loans, we may incur losses which exceed the value of gold placed as collateral; (ii) we may not be able to realise the assessed or full value, due to, among other things, defects in the quality of gold; (iii) in case of default, we conduct auctions based on a bidding process and there can be no assurance that we will be able to sell such gold in a timely manner at prices sufficient to cover the default; or (iv) we may not able to realise the assessed or full value if the borrower pledges ornaments that not in his/her ownership or if it has been seized by law enforcement authorities. We are subject to the risk that our employees may engage in fraud regarding their estimation of the value of pledged gold. For further information, see " - *We are exposed to operational risks such as unauthorized transactions, fraud, misappropriation and embezzlement in course of collections, which could adversely affect our business, results of operations and financial condition*." on page 43. There may be failure by our employees to properly appraise the value of the collateral, which provides us with no recourse against the borrower and the loan sanctioned may eventually result in bad debt in our books of accounts. If any of our borrowers take recourse of arbitration or litigation against our repayment claims, it may cause a further delay in our recovery process, potentially leading to decrease in the market price of the secured asset. For further information on such proceedings, see "*Outstanding Litigation and Material Developments – Litigation involving our Company*" on page 422. Thus, we may be unable to fully recover the outstanding balance, even where we are able to successfully liquidate the collateral.

39. We rely on third party service providers for certain aspects of our business, who may not perform their obligations satisfactorily or in compliance with law, which may in turn adversely impact our results of operations.

Pursuant to the Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs issued by the RBI on November 9, 2017, NBFCs have been mandated to put in place necessary safeguards and corporate governance measures for activities outsourced by them. For further information, see "*Key Regulations and Policies*" on page 221. We enter into arrangements with third-party vendors, and independent contractors who provide services that include, among others, document management services, employee background verification services and customer engagement services. We also enter into agreements with credit bureaus for availing credit assessment and other services, and with payment banks for cash management services. While we have not faced any material instances of disruptions by third party service providers in the three preceding Fiscals, we cannot guarantee that in the future there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition, cash flows and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. For further information, see " - *We rely significantly on our information technology systems for our business and any inadequacy or security breach in such systems could adversely affect our results of operations, cash flows and reputation.*" on page 31.

Further, certain of our agreements require us to indemnify our counterparties for certain losses, and limit contractual or other liabilities of our counterparties to fees or other amounts received by them from us for a certain period of time. If such indemnities are invoked, or if our counterparties limit their liabilities to an extent that our losses are not fully recovered, we may incur additional costs. Such additional costs may adversely affect our business, financial condition and results of operations.

40. Any deterioration in the performance of any pool of receivables securitized to banks and other institutions may adversely impact our results of operations.

We securitize a portion of our receivables from our loan portfolio to banks and other financial institutions to obtain funding and diversify our portfolio risk. Such securitization is undertaken by us on the basis of our internal estimates of funding requirements and availability of other sources of funds, and may vary from time to time. Set forth below are details of our book value of loans securitized and our direct assignment portfolio without any recourse with banks and financial institutions, as of the corresponding periods:

Particulars	**As of March 31,**			**As of June 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Book value of loans securitized (₹ million)	940.20	-	4,304.15	-	5,680.34
Book value of loans securitized, as a percentage of total assets (%)	1.61%	-	4.22%	-	5.63%

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
Direct assignment portfolio without any recourse with banks and financial institutions (₹ million)	8,580.16	12,464.90	10,632.68	11,621.51	16,096.65
Direct assignment portfolio without any recourse with banks and financial institutions, as a percentage of total assets (%)	14.67%	18.26%	10.43%	17.93%	15.96%

Any change in regulations framed by RBI or other regulators in relation to securitizations by NBFCs could have an adverse impact on our securitization program. In the event the bank or financial institution with whom we have securitized our receivables does not realize the receivables due under loans that have been securitized, the relevant bank or financial institution could enforce the underlying credit enhancements provided by our Company. Should such banks or financial institutions seek to enforce the underlying credit enhancements, it could have an adverse effect on our results of operations.

Further, any deterioration in the performance of any batch of receivables assigned to banks could adversely affect our credibility and hence our ability to conduct further securitizations. We may also be named as a co-plaintiff in legal proceedings initiated by an assignee in relation to the securitized assets. While there have been no material instances in the three preceding Fiscals, if a substantial portion of our securitized or assigned loans suffer a deterioration in their performance, it could have an adverse effect on our financial condition and results of operations.

41. Our Promoter, Directors, Key Managerial Personnel and Senior Management Personnel may have interests other than reimbursement of expenses incurred and receipt of remuneration or benefits from our Company.

Our Promoter, Directors, Key Managerial Personnel and Senior Management Personnel are interested in us, in addition to regular remuneration, sitting fees, commission or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and benefits arising therefrom or from their role as Directors. Further, we have also entered into an employment agreement with our Managing Director, Blangat Narayanan Raveendra Babu. For further information, see "*Our Management – Terms of appointment of our Directors*" on page 245. In addition, we rent our Corporate Office from our Promoter, and share six branch offices as of June 30, 2023 for our MSME Loan portfolio with our Promoter. For further information, see "*Our Promoter and Promoter Group*" on page 260. Also see "- *Our Promoter and Directors may have interest in entities which are in businesses similar to ours. Our Promoter, Manappuram Finance Limited, is primarily engaged in the business of providing loans against gold and MSME loans which are also products that we offer. Accordingly, the interests of our Promoter or some of our Directors may conflict with our interests or the best interests of our other shareholders*." on page 41.

42. Certain of our corporate filings and records are not traceable, while certain corporate records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.

Certain of our Company's corporate filings and records are not traceable in the physical records available with the Company. For instance, despite conducting internal searches, we have not been able to trace the resolutions of the meetings of our Board passed for approving the issuance of Equity Shares allotted on November 27, 2008, January 17, 2009 and July 12, 2010. Similarly, we have not been able to trace form FC-GPR filed in relation to allotment of Equity Shares to Lok Capital LLC on July 12, 2010. Further, some of our corporate regulatory filings, including forms filed with the RoC, have had certain factual inaccuracies. For instance, while filing forms PAS-3 pursuant to allotment of Equity Shares upon exercise of stock options under ESOP 2011 on January 19, 2015 and by way of rights issue on March 4, 2016 and March 17, 2016, our Company had inadvertently mentioned the nominal value of Equity Shares as ₹ 11.17, ₹ 96.60 and ₹ 96.60, respectively instead of ₹ 10. Additionally, we are unable to trace certain letters of renunciation and acceptance pertaining to few rights issues. Therefore, the disclosures in this Draft Red Herring Prospectus in relation to such untraceable or incorrect records, as the case may be, have been made in reliance on other supporting documents available in our records, including the resolutions passed/noting made by the Board or Shareholders in their meetings. While we have implemented compliance measures, including a policy for preservation of documents, there can be no assurance that such inaccuracies or misplacements of our Company's records will not occur in the future, which may subject our Company to action by statutory or regulatory authorities.

43. We do not own any of our branch offices, including our Registered Office and our Corporate Office. Any termination or failure by us to renew the lease and license agreements in a favorable and timely manner, or at all, could adversely affect our business, cash flows and results of operations.

Our Registered Office and our Corporate Office, as well as all of our branches, are located on leased or licensed premises. The Registered Office has been leased by us pursuant to the lease agreement dated April 22, 2019 for a period of nine years and our Corporate Office has been leased to us by our Promoter pursuant to the lease agreement dated August 30, 2021 for a period of five years. The typical period for which leases are generally entered into by our Company for its branches ranges from 12 months to approximately 15 years. The lease agreements can be terminated, and any such termination could result in any of our branches being shifted or shut down. While we have not faced material issues renewing the leases of our branches in the three preceding Fiscals and the three months ended June 30, 2023 and have not faced any terminated of lease except in the ordinary course by our lessors, if these lease and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Some of the lease and license agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease and license agreements.

Further, our lease and license agreements are required to be adequately stamped and duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. For information in relation to our premises, see "*Our Business – Property*" on page 220.

44. Our business is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition.

Our business is subject to seasonality as we generally see higher borrowings and drawdowns by our borrowers during the third and fourth quarter of each Fiscal due to increased economic activity towards the end of the Fiscal owing to the harvest season in rural areas in India. Further, there is typically an increase in retail economic activity in India during the period from October to March, due to several holiday periods, festivals and improved weather conditions, resulting in higher volumes of business during this period. Accordingly, our results of operations and financial condition in one quarter may not accurately reflect the trends for the entire Fiscal and may not be comparable with our results of operations and financial condition for other quarters. Additionally, any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns which take place during these peak seasons may adversely affect our business and results of operations. For instance, our Corporate Office in located in Valapad, Kerala, which is a low-lying coastal area prone to flooding. There can be no assurance seasonal events such as floods will not disrupt our central operations and adversely affect our business and financial condition. We have focused on geographical diversification, and as a result, events such as the floods in Kerala in 2018 and 2019, the cyclone in Tamil Nadu in 2019, and the Odisha floods in 2022, did not have an impact on the overall financial condition of our Company. However, there can be no assurance that we will be able to successfully navigate seasonality in our operations or the impact of any national crisis.

45. Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon regulatory stipulations, our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.

As an NBFC-MFI, there are restrictions on the quantum of distributable profits that can be distributed as dividend. Further, the RBI through its circular on 'Declaration of dividends by NBFCs' dated June 24, 2021, prescribed guidelines for declaration of dividend from the profits of the Fiscal ending March 31, 2022 onwards, providing among other things, eligibility criteria on different parameters such as capital adequacy, net NPA ratio and quantum of dividend payable, including prescribed ceilings on dividend payout ratio, among others. Any dividends to be declared and paid in the future will be in accordance with our Dividend Policy and is required to be recommended by our Company's Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon regulatory restrictions on dividend distribution, our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time and may be subject to other requirements prescribed by the RBI. For information pertaining to dividend declared by our Company in the past, see "*Dividend Policy*" on page 268.

46. Negative publicity could damage our reputation and adversely impact our business and financial results.

We provide loans to women, belonging to low-income groups primarily in rural areas. As a result of our business model of providing financial services at the villages of our borrowers, our operating expenses, particularly, finance, employee, travel and rent costs are quite high. In addition, on account of the borrower profile, there is less free cash and lower financial discipline and consequent vulnerability to cash flows in times of economic, political or environmental dislocation. Such dislocation typically lead to higher credit costs. High operating costs along with provisions for higher credit cost as well as our cost of financing, may result in higher interest rates being charged to our borrowers, in comparison to the interest rates generally charged by lenders on loans extended to banked borrowers. This, along with the terms of our loans, continue to be the subject of evaluation, comparison, analysis and often, criticism. Perception of our business and business model, including, among others, by social and political workers or disgruntled former stakeholders, could harm our reputation. Negative public opinion about the financial services industry generally or us specifically could adversely affect our ability to attract and retain borrowers and may expose us to litigation and regulatory action. While there have been no instances in the three preceding Fiscals and the three months ended June 30, 2023, large negative incidents or adverse publicity could rapidly erode borrower trust and confidence in us, particularly if such incidents attract regulatory investigations. Negative publicity can result from our own employees or past employees, or our third-party service providers' actual or alleged conduct, and actions taken by government regulators in response to that conduct. Further, negative publicity regarding our Promoter or its operations could impact our perception as well. For further information on such events, including regulatory proceedings initiated against our Promoter which may lead to adverse publicity, see "*Outstanding Litigation and Material Developments – Litigation involving our Promoter*" on page 424. Any disagreements among members of our Board, if these become public knowledge, may lead to adverse publicity. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information's accuracy. Such unverifiable or false information regarding us may be published online or on social media by third parties, or any other such damage to our brand or our reputation may result in withdrawal of business by our existing borrowers and loss of new business from potential borrowers, could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition.

47. We have not incurred certain allocated portions of our profits towards CSR, as required under the Companies Act, 2013. The unspent amounts have been transferred to the CSR unspent account and are required to be used for CSR purposes within three Fiscals from the date of transfer. Failure to do so may subject us to penalties, and have an adverse effect on our reputation, financial condition, cash flows and results of operations.

The Companies Act, 2013 requires that a corporate social responsibility policy be formulated and mandates that the Board of Directors ensure that we spend, in each Fiscal, at least two percent of our average net profits during the three immediately preceding Fiscals. For Fiscal 2022 and 2023, while we made profits and accordingly allocated a portion of such profits towards CSR activities formulated under our CSR policy, we did not incur the requisite portion of the expenditure towards such activities, owing to the longer tenure of the projects that we invested in. The expenditure towards CSR is being made pursuant to the action plan approved by the Board. Unspent amounts are transferred to the CSR unspent account of respective years to be spent for ongoing projects. The details with respect to the amount allocated towards CSR activities and our actual expenditure, during the corresponding periods:

Fiscal	Gross Amount to be Spent	Actual Expenditure	Amount transferred to CSR Unspent Account
	(₹ million)		
2021	32.69	34.45	N.A.
2022	38.16	5.16	31.39
2023	24.13	20.07	4.06

The amount transferred to the CSR unspent account shall be spent by our company on CSR activities within a period of three Fiscals from the date of such transfer. Failure to do so may require us to transfer any unspent amounts into a separate statutory fund or lead to imposition of penalties under the Companies Act, 2013 for any default or non-compliance with the CSR requirements, which could adversely affect our cash flows, reputation and business.

48. We may have difficulties in managing our operating expenses structure in the case of a decline in volumes of disbursement and the size of our AUM.

In cases of significant reduction in new disbursements and any significant reduction in our business, we may not be able to adjust our employee numbers commensurately and reduce our employee benefits expenses in a relatively shorter period. Our employee benefits expenses derived from our Restated Financial Information amounted to ₹ 1,894.23 million, ₹ 2,688.49 million, ₹ 3,966.40 million, ₹ 771.29 million and ₹ 1,209.85 million, accounting for 17.59%, 19.04%, 22.55%, 21.34% and 18.57% of our total income for Fiscal 2021, 2022, 2023 and for the three months ended June 30, 2022 and 2023, respectively. Other large components of our operating expenses include rent, software costs and travelling and conveyance expenses, which may be difficult to reduce quickly.

Further, our existing borrowers may prefer to obtain credit from our competitors over us, or we may incur additional costs on training new employees if our skilled employees decide to leave us. It may take us a longer period of time than is optimal in order to adjust our employee numbers or reduce the associated personnel costs, in the event of any significant reduction in our business. Our inability to retain sufficient flexibility in our cost structure and adjust to changing business circumstances may adversely affect our business and results of operations.

49. We have in this Draft Red Herring Prospectus included certain non-GAAP 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 that is applicable across the financial services 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 and certain other industry measures relating 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 players in the Indian financial services industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such non-GAAP financial measures may be different from financial measures and statistical information disclosed or followed by other NBFCs or MFIs. 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 elsewhere in this Draft Red Herring Prospectus.

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. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 398.

50. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Financial Information included in this Draft Red Herring Prospectus have been prepared and presented in conformity with Ind AS, restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations 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. 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. 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. 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.

Risks Relating to Objects of the Issue

51. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates. They have not been appraised by any bank or financial institution, and may be subject to change based on various factors. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

As on the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds for augmenting the capital base of our Company in the manner specified in "*Objects of the Issue*" on page 89, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations.

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. 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 the 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 the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

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

External Risks

Risks Related to India

52. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.

Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- political instability, resulting from a change in governmental or economic and fiscal policies;
- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- instability in other countries and adverse changes in geopolitical situations;
- civil unrest, local agitation, acts of violence, terrorist attacks, regional conflicts or situations or war;
- India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years; and
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine.

Further deterioration in the global economy, or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

53. 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, drought, typhoons, flooding, storms, tsunamis, tornadoes, fires, explosions, and/or earthquakes), epidemics, pandemics and man-made disasters, including 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. Developments in the ongoing conflict between Russia and Ukraine, since February 2022, has resulted in and may continue to result in a period of sustained instability across global financial markets. The imposition of sanctions could lead to unpredictable reactions from Russia. If any sanction risk materializes, this could induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India and have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. 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.

54. 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.

55. Changing regulations in India could lead to new compliance requirements that are uncertain.

New laws or other regulations could require us to obtain additional approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, which can lead to uncertainty in our operations and could adversely affect our business, prospects and results of operations. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, the GoI has enacted the Digital Personal Data Protection Act, 2023 ("**Data Protection Act**") on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The Data Protection Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the Data Protection Act. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses, adversely affect our reputation and restrict our ability to grow our businesses in the future.

56. Changes in the taxation system in India could adversely affect our business.

The Income Tax Act, 1961 ("**IT Act**") was amended to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and health and education cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Further, the Government of India has notified the Finance Act, 2023 ("**Finance Act**"), which has introduced various amendments to the IT Act. As such, there is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

57. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation may lead to higher living costs and various expenses for borrowers, resulting in reduced free cash flow for their loan repayments which may lead to higher delinquencies. Continued high inflation may also lead to slow down in our business and resulting profitability and cash flows. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transporting people and equipment, electricity, internet bandwidth, wages, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our borrowers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

58. Investors may not be able to enforce a judgment of a foreign court against us, our Directors and executive officers in India, except by way of a law suit in India.

Our Company is a company incorporated under the laws of India as a company limited by shares and majority of our Directors are located in India. As of the date of this Draft Red Herring Prospectus, all of our assets, our Key Managerial Personnel and senior management personnel and officers are also located in India. A majority of our Directors are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

Risks Relating to the Equity Shares and this Issue

59. The trading volume and market price of the Equity Shares may be volatile following the Issue.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

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

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

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

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

Prior to the Issue, 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 Issue. 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 Issue 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 Issue Price*" beginning on page 93 and may not be indicative of the market price for the Equity Shares after the Issue.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding this Financial Year)*" on page 449. 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 Issue, 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 Issue Price.

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

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

63. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

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

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

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

64. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares being held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or relevant regulatory approval having been obtained for sale of shares and the corresponding remittance of sale proceeds. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 482.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 482.

As an Indian company, we are also subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business, financial condition and results of operations.

66. The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.

The determination of the Price Band and Issue Price is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. These will be based on numerous factors, including factors as described under "*Basis for the Issue Price*" on page 93 and may not be indicative of the market price for the Equity Shares after the Issue.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further information, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding this Financial Year)*" on page 449. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. 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.

67. *QIBs 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 Bidders are not permitted to withdraw their Bids after Bid/Issue Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block 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. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/Issue Period and until the Bid/ Issue Closing date, but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their Bids. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Issue Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

69. *A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.*

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of the SEBI Takeover Regulations.

70. *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 wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

71. *Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.*

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

72. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income. No assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

Our Company is not, and does not intend to be, regulated as an investment company under the Investment Company Act and related rules. The Volcker Rule may affect the ability of certain types of entities to purchase the Equity Shares. Our Company will not be subject to the provisions of the U.S. Investment Company Act, in reliance on Section 3(c)(7) thereof, which excludes from the definition of "investment company" any issuer whose outstanding securities are owned exclusively by "qualified purchasers" (as defined in such Section 3(c)(7)), and who meet the other conditions contained therein. For purposes of the Volcker Rule, a "covered fund" includes any issuer that would be an investment company but for the exclusions contained in Section 3(c)(1) or Section 3(c)(7) under the U.S. Investment Company Act. The Volcker Rule may negatively affect the ability of certain types of entities to purchase the Equity Shares. The Volcker Rule generally prohibits "banking entities" from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" in, sponsoring or having certain relationships with "covered funds", subject to certain exclusions and exemptions under the Volcker Rule. A "banking entity" generally includes any U.S. insured depository institution, any company that controls an U.S. insured depository institution (as defined in Section 3 of the U.S. Federal Deposit Insurance Act (12 U.S.C § 1813)), subject to certain exclusions), any company that is treated as a bank holding company for purposes of Section 8 of the U.S. International Banking Act of 1978, or any affiliate or subsidiary of any of the foregoing entities. The Volcker Rule's prohibition on "covered fund" investments and proprietary trading activities is subject to certain limited exemptions, including for, among other things, certain underwriting and market making activities and the activities of qualified non-U.S. banking entities which are conducted solely outside the United States. These and other exemptions under the Volcker Rule are subject to specific conditions and requirements. With respect to the market making and underwriting exemptions, recent amendments to the Volcker Rule's implementing regulations eliminated the requirement that a "banking entity" include "ownership interests" in third-party "covered funds" or "covered funds" guaranteed by a "banking entity" that are acquired or retained under the market making or underwriting exemptions towards its per-fund and aggregate "covered fund" investment limits and for the required Tier 1 capital deduction. Any prospective investor in the Equity Shares should consult its own legal counsel regarding the potential impact of the Volcker Rule and its ability to purchase or retain the Equity Shares. None of the Company nor any Underwriter nor any of their respective affiliates makes any representation to any prospective investor or purchaser of the Equity Shares regarding such investor's investment in the Equity Shares on the date of issuance or at any time in the future.

SECTION III: INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

Fresh Issue of Equity Shares(1)(2)	Up to [●] Equity Shares aggregating up to ₹15,000 million
The Issue consists of:	
A) QIB Portion(3)(4)(5)	Not less than [●] Equity Shares
of which:	
Anchor Investor Portion	Up to [●] Equity Shares aggregating up to ₹[●] million
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Mutual Fund Portion (5% of the Net QIB Portion)(4)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(6)(7)	Not more than [●] Equity Shares aggregating up to ₹[●] million
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares
C) Retail Portion(5)(7)	Not more than [●] Equity Shares aggregating up to ₹[●] million
Pre-Issue and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as on the date of this Draft Red Herring Prospectus)	200,283,372 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds of the Issue	See "*Objects of the Issue*" beginning on page 89 for details regarding the use of Net Proceeds

(1) Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. In the event the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR.

(2) The Issue has been approved by our Board pursuant to the resolution passed at its meeting held on September 22, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on October 3, 2023.

(3) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. Under-subscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.

(4) Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the 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 Issue 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 Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" beginning on page 464. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.

(5) Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. For further details, see "Issue Procedure" beginning on page 464.

(6) Not more than 15% of the Issue shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the 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 of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

(7) 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. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price, as applicable. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations.

For details of the terms of the Issue, see "*Terms of the Issue*", "*Issue Structure"* and "*Issue Procedure"* beginning on pages 456, 461 and 464.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Information for the three month period ended June 30, 2023 and June 30, 2022 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021. The summary financial information presented below should be read in conjunction with "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 301 and 381, respectively.

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

SUMMARY OF RESTATED BALANCE SHEET

(All amounts in ₹ million except otherwise stated)

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets					
Financial assets					
Cash and cash equivalents	7,134.29	3,656.55	5,499.21	7,925.13	6,954.68
Bank balances other than cash and cash equivalents	2,936.98	1,827.34	3,367.88	1,257.12	1,872.20
Loans	82,830.87	54,482.51	86,690.97	54,286.05	47,747.05
Investments	2,186.39	1,004.86	1,970.64	1,043.65	0.90
Derivative financial instruments	213.22	38.20	262.98	13.14	-
Other financial assets	2,790.96	1,010.58	1,228.39	1,206.92	712.00
Non-financial assets					
Current tax assets (net)	256.52	184.79	345.18	351.26	113.30
Deferred tax asset (net)	519.14	1,233.15	717.42	939.01	831.12
Investment property	0.86	0.86	0.86	0.86	0.86
Property, plant, and equipment	748.07	358.28	701.24	342.33	68.78
Right-of-use assets	993.42	887.49	936.31	739.66	89.46
Other intangible assets	86.91	21.05	66.99	14.20	25.97
Intangible assets under development	-	-	-	9.42	5.45
Other non-financial assets	125.05	91.43	127.81	108.00	77.78
Total Assets	**100,822.68**	**64,797.09**	**101,915.88**	**68,236.74**	**58,499.54**
Liabilities and Equity					
Liabilities					
Financial liabilities					
Derivative financial instruments	-	-	-	-	13.53
Other payables					
- total outstanding dues to micro, small and medium enterprises	-	-	-	-	-
- total outstanding dues to creditors other than micro, small and medium enterprises	222.16	192.12	178.70	272.45	247.06
Debt securities	8,820.78	11,239.41	11,584.79	13,854.34	12,190.54
Borrowings (other than debt securities)	65,226.39	38,080.18	68,736.05	38,541.23	32,403.45
Subordinated liabilities	5,363.78	2,674.11	3,940.11	3,192.04	2,147.69
Lease liability	1,102.97	923.31	1,034.56	762.70	103.56
Other financial liabilities	1,718.69	863.34	706.74	613.64	553.74
Non-financial liabilities					
Provisions	149.98	84.36	104.80	149.76	150.68
Other non-financial liabilities	168.70	128.75	190.05	142.09	131.66
Equity					
Equity Share capital	667.61	533.12	626.40	533.12	533.12
Other equity	17,381.62	10,078.39	14,813.68	10,175.37	10,024.51
Total Liabilities and Equity	**100,822.68**	**64,797.09**	**101,915.88**	**68,236.74**	**58,499.54**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(All amounts in ₹ million except otherwise stated)

Particulars	As at June 30, 2023	As at June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations					
Interest income	5,737.12	3,270.37	15,452.38	11,930.32	9,576.29
Net Gain on derecognition of financial instruments under amortized cost category	551.32	104.44	1,036.95	1,169.72	714.80
Dividend income and gain on sale of mutual fund	-	-	-	111.88	128.69
Other operating income	82.19	231.61	662.62	466.98	109.92
Total revenue from operations	**6,370.63**	**3,606.42**	**17,151.95**	**13,678.90**	**10,529.70**
Other income	146.16	7.32	440.81	440.00	242.15
Total income	**6,516.79**	**3,613.74**	**17,592.76**	**14,118.90**	**10,771.85**
Expenses					
Finance costs	2,172.22	1,394.23	6,298.47	5,727.93	4,575.41
Impairment on financial instruments	960.59	1,186.76	2,736.84	4,068.22	2,998.09
Employee benefits expenses	1,209.85	771.29	3,966.40	2,688.49	1,894.23
Depreciation and amortization expense	103.13	126.10	339.71	352.35	118.37
Other expenses	464.18	243.95	1,142.08	1,087.27	887.85
Total expenses	**4,909.97**	**3,722.33**	**14,483.50**	**13,924.26**	**10,473.95**
Profit before exceptional items and tax	**1,606.82**	**(108.59)**	**3,109.26**	**194.64**	**297.90**
Exceptional items	-	-	-	-	-
Profit/ (Loss) before tax for the period/ year	**1,606.82**	**(108.59)**	**3,109.26**	**194.64**	**297.90**
Tax expense					
Current tax	258.81	270.32	631.83	195.61	661.89
Deferred tax charge/ (credit)	203.50	(291.99)	219.46	(112.91)	(483.91)
Tax relating to prior years	17.26	-	23.69	(27.36)	(41.09)
Profit/ (Loss) for the period/ year (A)	**1,127.25**	**(86.92)**	**2,234.28**	**139.30**	**161.01**
Other Comprehensive income					
Items that will not be reclassified to profit and loss					
- Remeasurement of the net defined benefit (liability)/asset	(6.45)	(1.14)	(4.97)	15.58	(18.43)
- Fair value changes in equity instrument	-	-	-	(0.33)	0.40
- Income tax relating to the above	1.62	0.29	1.25	(3.84)	4.54
Items that will be reclassified to profit and loss					
- Fair value changes on derivatives designated as cash flow hedge (Net)	(29.15)	30.02	30.00	29.04	6.50
- Fair value changes on Investment held as FVOCI	12.21	(38.77)	(23.48)	(27.77)	-
- Income tax relating to the above	4.26	2.20	(1.64)	(0.32)	(1.64)
Other comprehensive income/(loss) for the period/ year, net of tax (B)	**(17.51)**	**(7.40)**	**1.16**	**12.36**	**(8.63)**
Total comprehensive income/(loss) for the period/ year (A+B)	**1,109.74**	**(94.32)**	**2,235.44**	**151.66**	**152.38**
Earnings per Equity share (face value of ₹10 each)					
Basic (₹)	5.99	(0.54)	12.84	0.87	1.01
Diluted (₹)	5.99	(0.54)	12.84	0.87	1.01

SUMMARY OF RESTATED STATEMENT OF CASH FLOWS

(All amounts in ₹ million except otherwise stated)

Particulars	As at June 30, 2023	As at June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities					
Profit/ (Loss) before tax for the relevant year/ period	**1,606.82**	**(108.59)**	3,109.26	194.64	297.90
Adjustments					
- Depreciation and amortization expense	103.13	126.10	339.71	352.35	118.37
- Impairment of financial instruments Amortization of assets & Loss on derecognition of financial assets	960.59	1,186.76	2,736.84	4,068.22	2,998.09
- Provision for insurance claim receivable	70.29	14.95	(17.62)	33.95	30.17
- Loss/(Profit) on sale of fixed assets (net)		-	-	-	0.01
- Dividend income	-	-	-	(111.88)	(128.69)
- Finance cost	2,172.22	1,394.23	6,298.47	5,727.93	4,575.41
- Interest on deposits	(96.10)	(79.40)	(409.33)	(192.57)	(277.50)
- Share based payments to employees.	0.06	(1.51)	(2.10)	0.07	8.22
Operating cash flow before working capital changes	**4,817.01**	**2,532.54**	**12,055.23**	**10,072.71**	**7,621.98**
Working capital changes					
Adjustments for (increase) / decrease in operating assets:					
- Loans	2,938.14	(1,383.43)	(35,140.27)	(10,614.21)	(7,304.87)
- Loans given to staff	(38.63)	0.21	(1.50)	6.99	2.73
- Other financial assets	(1,632.86)	73.07	(3.85)	(583.67)	210.27
- Other non-financial assets	2.76	16.57	(19.81)	(30.22)	(36.77)
Adjustments for increase / (decrease) in operating liabilities:					
- Trade payables	43.46	(80.33)	(93.75)	27.16	70.79
- Other financial liabilities	939.29	252.26	(0.11)	-	187.10
- Other non-financial liabilities	(21.34)	(13.34)	47.96	10.44	(2,860.60)
- Other provisions	38.73	(66.54)	(49.93)	14.66	16.53
Cash used in operating activities	**7,086.56**	**1,331.01**	**(23,206.03)**	**(1,096.14)**	**(2,092.84)**
- Income taxes paid (net)	(187.40)	(104.65)	(643.31)	(406.20)	(582.70)
Net cash generated/ used in operating activities	**6,899.16**	**1,226.36**	**(23,849.34)**	**(1,502.34)**	**(2,675.54)**
Cash flows from investing activities					
- Proceeds from sale of property, plant and equipment	-	-	-	-	2.50
- Purchase of property, plant and equipment	(84.84)	(83.34)	(456.23)	(491.23)	(80.14)
- Purchase of other intangible assets	(27.53)	(11.35)	(66.72)	(31.71)	(45.65)
- Net movement in bank deposits	489.35	(598.41)	(2,081.45)	625.94	101.35
- Dividend received	-	-	-	111.88	128.69
- Investments	(203.54)	0.01	(950.47)	(1,070.85)	-
- Interest income on deposits	37.65	107.60	380.01	181.70	326.91
Net cash generated/ (used) in investing activities	**211.09**	**(585.49)**	**(3,174.86)**	**(674.27)**	**433.66**
Cash flows from financing activities					
- Increase in Share Capital	41.21	-	93.28	-	-
- Increase in Security Premium	1,458.78	-	2,406.72	-	-
- Proceeds from long term borrowings - term loans	5,850.00	5,000.00	53,427.60	33,816.70	19,724.50
- Repayment of long-term borrowings - term loans	(9,487.32)	(5,652.35)	(22,622.98)	(28,530.89)	(25,475.93)
- Interest paid on term loans	(1,390.55)	(698.60)	(4,019.42)	(3,373.90)	(3,159.01)
- Proceeds from long term borrowings - debentures	1,500.00	-	3,900.00	8,930.00	11,150.00
- Repayment of long-term borrowings - debentures	(2,835.33)	(3,018.75)	(6,056.73)	(5,931.56)	(3,557.50)
- Interest paid on debentures	(411.42)	(508.33)	(1,311.33)	(1,682.91)	(858.65)
- Interest paid on securitization	(94.75)	-	(22.49)	(8.47)	(337.85)
- Repayment of Overdraft	(751.74)	-	(1,001.86)	-	-
- Interest paid on OD	(11.33)	-	(33.48)	-	-
- Repayment of securitization borrowings	752.33	-	-	-	-

Particulars	As at June 30, 2023	As at June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
- Proceeds from short term borrowings - commercial paper	590.62	-	3,469.57	-	(226.66)
- Repayment of short-term borrowings - commercial paper	(590.62)	-	(3,469.57)	-	(23.34)
- Interest paid on Commercial Borrowing	(9.38)	-	(47.65)	-	-
- Processing and arranger Fee paid	(36.80)	-		-	-
- Other interest and charges paid	(48.87)	(31.42)	(113.39)	(71.91)	(46.44)
Net cash generated/ (used) from financing activities	**(5,475.17)**	**(4,909.45)**	**24,598.28**	**3,147.06**	**(2,810.88)**
Net (decrease)/increase in cash and cash equivalents	**1,635.08**	**(4,268.58)**	**(2,425.92)**	**970.45**	**(5,052.76)**
Cash and cash equivalents as at the beginning of the year/ period	**5,499.21**	**7,925.13**	**7,925.13**	**6,954.68**	**12,007.44**
Cash and cash equivalents as at the end of the year/ period	**7,134.29**	**3,656.55**	**5,499.21**	**7,925.13**	**6,954.68**

GENERAL INFORMATION

Corporate Registration Number: 064550

Corporate Identity Number: U65923TN2007PLC064550

RBI Registration Number: N-07-00769

Registered Office
Asirvad Micro Finance Limited
9th floor, No. 9
Club House Road
Anna Salai
Chennai 600 002
Tamil Nadu, India

For details of our incorporation, changes to our name and our registered office, see "*History and Certain Corporate Matters – Changes in our Registered Office*" on page 235.

Corporate Office
Asirvad Micro Finance Limited
2nd Floor, W - 4/ 638 A
Manappuram House
P.O. Valapad, Thrissur 680 567
Kerala, India

Registrar of Companies

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

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

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus shall be uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular dated June 21, 2023 and shall be submitted to SEBI on cfddil@sebi.gov.in in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

It will also be filed with SEBI at the following address:

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

Filing of the Red Herring Prospectus and Prospectus

The Red Herring Prospectus and Prospectus, respectively, will be filed with the RoC in accordance with Section 32 read with Section 26 of the Companies Act, along with the material contracts and documents referred to in each of the Red Herring Prospectus and the Prospectus, respectively, at the RoC and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Board of Directors of our Company

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

Name	Designation	DIN	Address
Vazhappully Padmanabhan	Chairman and Non-Executive	00044512	Vazhapully House, Kothakulam Beach Road,

Name	Designation	DIN	Address
Nandakumar	and Non-Independent Director		Kothakulam, Valappad, Thrissur 680 567, Kerala, India
Blangat Narayanan Raveendra Babu	Managing Director	00043622	Blangat House, Near Kalamuri, Kaipamangalaam, Thrissur 680 681, Kerala, India
Abhijit Sen	Independent Director	00002593	A 92, Grand Paradi, 572 Dadyseth Hill August Kranti Marg, Near Kemps Corner, Mumbai 400 036, Maharashtra, India
Anita Belani	Independent Director	01532511	B 6503, Trump Tower, The Lodha Park, Pandurang Budkar Marg, Worli, Mumbai 400 018, Maharashtra, India
Desh Raj Dogra	Independent Director	00226775	Flat No. 402, Somerset, Hiranandani Gardens, Powai, Mumbai 400 076, Maharashtra, India
Gautam Rathindranath Saigal	Non-Executive and Non-Independent Director	00640229	2505, Ashok Towers, C Wing, Dr. Babasaheb Ambedkar Road, Parel, Mumbai 400 012, Maharashtra, India
Harshan Kollara Sankarakutty	Independent Director	01519810	Flat 16, Cricket Court, 13, Elderberry way, London E66JJ, United Kingdom
Pushya Sitaraman	Independent Director	06537196	5, Subbarayar Avenue, Abiramapuram, Teynampet, Chennai, Tamil Nadu – 600018, India
Raja Vaidyanathan Venkataraman Sattanathapuram	Non-Executive and Non-Independent Director	01467098	7/4, Central Avenue, Kesavaperumalpuram, Raja Annamalaipuram, Chennai 600 028, Tamil Nadu, India
Ramanathan Annamalai	Independent Director	02645247	Plot No. 28, 18th Street, Tansi Nagar, Velachery, Chennai 600 042, Tamil Nadu, India
Subrata Kumar Atindra Mitra	Independent Director	00029961	1201/B, Phoenix Tower , Senapati Bapat Marg, Lower Parel, Delisie Road, Mumbai 400 013, Maharashtra, India
Sumitha Jayasankar	Non-Executive and Non-Independent Director	03625120	Padma Saroj, South Janatha Road, Prasanthi Ladies Hostel (St. Mary's road), Palarivattom, Palarivattom, Ernakulam 682 025, Kerala
Thotanchath Balakrishnan	Independent Director	00052922	SFS Kings Wood, Flat No. 9-C, Jawahar Nagar, Kowdiar PO, Thiruvananthapuram, Kaudiar, 695 003, Kerala, India

For further details of our Board, see "*Our Management*" beginning on page 240.

Company Secretary and Compliance Officer of our Company

Aparna Menon is our Company Secretary and Compliance Officer. Her contact details are as follows:

Aparna Menon
2nd Floor, W - 4/ 638 A
Manappuram House
P.O. Valapad, Thrissur 680 567
Kerala, India
Telephone: +91 48 7305 0285
Email: sec@aisrvad.in

Statutory Auditor

M. P. Chitale & Co.,
Chartered Accountants
759/70,
Vatsala Bhavan
Prabhat Road, Lane No. 1
Pune 4110 04, Maharashtra
Telephone: +91 98817 43035
E-mail: sanat@mpchitale.com
Peer Review Number: 014332
Firm Registration Number: 101851W

Changes in Auditors

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

Particulars	Date of change	Reason for change
M. P. Chitale & Co., Chartered Accountants 759/70, Vatsala Bhavan Prabhat Road, Lane No. 1 Pune 4110 04, Maharashtra	September 8, 2021	Appointment as Statutory Auditor of our Company for three financial years from April 1, 2021 to March 31, 2024.

Particulars	Date of change	Reason for change
Telephone: +91 9881743035 **E-mail:** sanat@mpchitale.com **Peer Review Number:** 014332 **Firm Registration Number**: 101851W		
Walker Chandiok & Co. LLP, Chartered Accountants 7th Floor, Prestige Polygon, 471, Anna Salai, Teynampet - 600018, Chennai **Telephone:** + 91 44 4294 0099 **Email:** sumesh.e@walkerchandiok.in **Peer Review Number**: 11707 **Firm Registration Number**: 001076N/N500013	September 8, 2021	In order to ensure compliance with the provisions regarding maximum number of statutory audits of NBFCs permissible under RBI 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 previous auditors tendered their resignation through their letter dated September 8, 2021

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: amfl.ipo@jmfl.com
Investor grievance ID: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact person: Prachee Dhuri
SEBI registration no: INM000010361

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

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

SBI Capital Markets Limited
1501, 15th Floor, A & B Wing
Parinee Crescenzo, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4006 9807
E-mail: asirvadmicrofinance.ipo@sbicaps.com
Investor grievance ID: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact person: Karan Savardekar/Sambit Rath
SEBI registration no: INM000003531

Legal advisor to the Company as to Indian Law

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

Registrar to the Company

S.K.D.C. Consultants Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +91 022 4918 6270, +91 422 4918 6060
E-mail: info@skdc-consultants.com
Investor grievance e-mail: info@skdc-consultants.com
Website: https://skdc-consultants.com
Contact Person: Jayakumar K

SEBI Registration No.: INR000000775

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: asirvadmf.ipo@linkintime.co.in
Investor grievance e-mail: asirvadmf.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Issue

[●]

Escrow Collection Bank(s), Refund Bank(s) and Public Issue Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

State Bank of India
2nd floor, Vankarath Towers, By-Pass Junction, Padivattom, Kochi-682 024
Telephone Number: +91 4842340062
Contact Person: Noel Francis Gonsalves
Website: www.bank.sbi
Email: sbi.04062@sbi.co.in

Bank of Baroda
No. 41 Luz Church Road, Mylapore, Chennai
Telephone Number: 04423454286
Contact Person: Prasad Rajan
Website: www.bankofbaroda.in
Email: mylapo@bankofbaroda.com

ICICI Bank Limited
ICICI Bank Towers, Bandra- Kurla Complex, Mumbai-400051
Telephone Number: (91-22) 2653 1414
Contact Person: Mr. Bala Kumar
Website: www.icicibank.com
Email: bala.b@icicibank.com

Axis Bank Limited
Axis Bank Ltd, Rural Lending Departmnt Building No. 1, Gigaplex, 6th Floor, Plot No. I.T. 5, MIDC, Airoli Knowledge Park, Airoli, Navi Mumbai – 400708
Telephone Number: 022-71316862
Contact Person: Aashish Bansal
Website: https://www.axisbank.com/
Email: aashish.bansal@axisbank.com

Syndicate Member(s)

[●]

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

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated

April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts to the Issue

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

Our Company has received written consent dated October 4, 2023 from M. P. Chitale & Co., Chartered Accountants, our Statutory Auditors, who hold valid peer review certificate from ICAI, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report dated September 22, 2023, relating to the Restated Financial Information; and (ii) the statement of special tax benefits dated October 4, 2023 , as included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

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

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring, due diligence of the Company including its operations/management, legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	JMFL, Kotak, Nomura, SBICAPS	JMFL
2.	Drafting and approval of statutory advertisements and application form, abridged prospectus	JMFL, Kotak, Nomura, SBICAPS	JMFL
3.	Appointment of intermediaries - Registrar to the Issue and advertising agency, including coordination of all agreements to be entered into with such intermediaries	JMFL, Kotak, Nomura,	JMFL

Sr. No.	Activity	Responsibility	Co-ordination
		SBICAPS	
4.	Appointment of intermediaries - Banker(s) to the Issue, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	JMFL, Kotak, Nomura, SBICAPS	SBICAPS
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	JMFL, Kotak, Nomura, SBICAPS	SBICAPS
6.	Preparation of road show marketing presentation and frequently asked questions	JMFL, Kotak, Nomura, SBICAPS	Nomura
7.	International Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	JMFL, Kotak, Nomura, SBICAPS	Nomura and Kotak
8.	Domestic Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	JMFL, Kotak, Nomura, SBICAPS	JMFL
9.	Retail marketing of the Issue, which will cover, inter alia: • Finalising media, marketing, public relations strategy and publicity • budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow - up on distribution of publicity • Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material	JMFL, Kotak, Nomura, SBICAPS	Kotak
10.	Non-Institutional marketing of the Issue, which will cover, inter alia: • Finalising media, marketing and public relations strategy; and • Formulating strategies for marketing to Non - Institutional Investors	JMFL, Kotak, Nomura, SBICAPS	SBICAPS
11.	Managing the book and finalization of pricing in consultation with the Company	JMFL, Kotak, Nomura, SBICAPS	Kotak
12.	Coordination with Stock Exchanges for anchor coordination, anchor CAN and intimation of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange	JMFL, Kotak, Nomura, SBICAPS	Nomura
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Issue, intimation of allocation and dispatch of refund to bidders, etc. Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, , listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable. Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post Issue reports including the Initial and final Post Issue report to SEBI	JMFL, Kotak, Nomura, SBICAPS	SBICAPS

IPO Grading

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

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations, for monitoring of the utilisation of the Net Proceeds from the Fresh Issue. For details in relation to the proposed utilisation of the proceeds from the Fresh Issue, see "*Objects of the Issue*" beginning on page 89.

Appraising Entity

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

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Issue.

Illustration of the Book Building Process

Book building in the context of the Issue refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms), if any, within the Price Band and the minimum Bid Lot, which will be decided by our Company in consultation with the Book Running Lead Managers, and advertised in all editions of [●], a widely circulated English national daily newspaper, in all editions of [●], a widely circulated Hindi national daily newspaper, all editions of [●], a widely circulated Tamil national daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located) at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Managers, after the Bid/ Issue Closing Date. For further details, see "*Issue Procedure*" beginning on page 464.

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

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

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

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 investment through this process prior to submitting a Bid in the Issue.

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

For further details, see "*Terms of the Issue*", "*Issue Structure*" and "*Issue Procedure*" beginning on pages 456, 461 and 464, respectively.

For details in relation to filing of this Draft Red Herring Prospectus, see *" – Filing of this Draft Red Herring Prospectus"* on page 66.

Underwriting Agreement

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

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

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

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

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

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

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

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

CAPITAL STRUCTURE

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

(in ₹, except share data unless otherwise stated)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price*
A.	**AUTHORISED SHARE CAPITAL**(1)		
	300,000,000 Equity Shares	3,000,000,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	200,283,372 Equity Shares	2,002,833,720	
C.	**PRESENT ISSUE**		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹15,000 million(2)#	[●]	[●]
E.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE***		
	[●] Equity Shares	[●]	-
F.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	8,111,373,679	
	After the Issue	[●]	

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

\# *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of specified securities for a cash consideration aggregating up to ₹3,000 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken will be at a price to be decided by our Company in consultation with the BRLMs, and will be completed prior to filing of the Red Herring Prospectus with the RoC and the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR.*

(1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years preceding the date of this Draft Red Herring Prospectus, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 235.

(2) The Fresh Issue has been approved by our Board pursuant to the resolution passed at its meeting held on September 22, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on October 3, 2023.

Notes to the Capital Structure

1. **Share capital history of our Company**

(i) ***Equity Share capital***

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
August 29, 2007	100,000	99,900 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram and 100 Equity Shares were allotted to Nalini Hari	10.00	10.00	Cash	Allotment pursuant to initial subscription to the Memorandum of Association	100,000	1,000,000
October 15, 2007	2,600,000	1,400,000 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 100,000 Equity Shares were allotted to Sanjeev Vaidyanathan, 100,000 Equity Shares were allotted to Anjana Vaidyanathan, 250,000 Equity Shares were allotted to S.V. Krishnamurthy, 250,000 Equity Shares were allotted to Hemalathaa K. Murthy and 500,000 Equity Shares were allotted to K. Sethuraman (jointly held with Sushila Sethuraman)	10.00	10.00	Cash	Further issue^	2,700,000	27,000,000
November 27, 2008	2,700,000	100 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 1,699,800 Equity Shares were allotted to Abirami Consultants and Securities Private Limited, 100,000 Equity Shares were allotted to Sharadh Krishnamurthy, 100,000 Equity Shares were allotted to Janani Krishnamurthy, 300,000 Equity Shares were allotted to Chennai Web Services Private Limited, 500,000 Equity Shares were allotted to K. Sethuraman and 100 Equity Shares were allotted to S. Hari	10.00	10.00	Cash	Rights issue^	5,400,000	54,000,000
	27,500	20,000 Equity Shares were allotted to R Raghavender Anand, 2,500 Equity Shares were allotted to S Ganesan, and 5,000 Equity Shares were allotted to S Ragothaman (jointly held with Usha Ragothaman)	10.00	10.00	Cash	Private placement^	5,427,500	54,275,000
January 17, 2009	7,500	5,000 Equity Shares were allotted to S. Gopinath and 2,500 Equity Shares were allotted to Tolerance Samuel M. P.	10.00	10.00	Cash	Private placement^	5,435,000	54,350,000
September 7, 2009	1,716,966	Equity Shares were allotted to Lok Capital LLC	10.00	40.48	Cash	Private placement	7,151,966	71,519,660
July 12, 2010	888,889	Equity Shares were allotted to Lok Capital LLC	10.00	90.00	Cash	Private placement^	8,040,855	80,408,550
June 6, 2013	10,000	Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram	10.00	11.17	Cash	Allotment of Equity Shares pursuant to exercise of stock options under ESOS 2011	8,050,855	80,508,550
February 28, 2014	20,000	Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram	10.00	11.17	Cash	Allotment of Equity Shares pursuant to exercise of stock options under ESOS 2011	8,070,855	80,708,550

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
November 6, 2014	109,500	20,000 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 20,000 Equity Shares were allotted to G. Srikanth, 20,000 Equity Shares were allotted to S. Gopinath, 10,000 Equity Shares were allotted to Tolerance Samuel M. P., 10,000 Equity Shares were allotted to S. Muthukumar, 4,000 Equity Shares were allotted to Shylasree Padmanabhan, 4,000 Equity Shares were allotted to T Sabarinathan, 4,000 Equity Shares were allotted to K Suthakaran, 4,000 Equity Shares were allotted to N.R.K Rajasekaran, 1,500 Equity Shares were allotted to T. Ramesh, 1,500 Equity Shares were allotted to R. Muthuramalingam, 1,500 Equity Shares were allotted to K Nethaji, 1,500 Equity Shares were allotted to Lakshmi Narayanan, 1,500 Equity Shares were allotted to Premkumarthambiraj. R, 1,500 Equity Shares were allotted to N. Ravikumar, 1,500 Equity Shares were allotted to J Kannan, 1,500 Equity Shares were allotted to D Santhakumar, and 1,500 Equity Shares were allotted to Parthasarathi C	10.00	11.17	Cash	Allotment of Equity Shares pursuant to exercise of stock options under ESOS 2011	8,180,355	81,803,550
January 19, 2015	14,500	4,000 Equity Shares were allotted to Thangappan V, 1,500 Equity Shares were allotted to Gunaseelan S., 1,500 Equity Shares were allotted to Chellapandi S,1,500 Equity Shares were allotted to Rajendran M, 1,500 Equity Shares were allotted to Krishnamoorthy S, 1,500 Equity Shares were allotted to Ayyanar. K, 1,500 Equity Shares were allotted to Mahesh Kannan. K, and 1,500 Equity Shares were allotted to Rajasekar. K	10.00^	11.17	Cash	Allotment of Equity Shares pursuant to exercise of stock options under ESOS 2011	8,194,855	81,948,550
February 19, 2015	7,561,126	Equity Shares were allotted to MAFIL	10.00	83.32	Cash	Rights issue	15,755,981	157,559,810
February 3, 2016	10,000	Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram	10.00	11.17	Cash	Allotment of Equity Shares pursuant to exercise of stock options under ESOS 2011	15,765,981	157,659,810

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
March 4, 2016	10,351,966	Equity Shares were allotted to MAFIL	10.00^	96.60	Cash	Rights issue	26,117,947	261,179,470
March 17, 2016	158,689	5,000 Equity Shares were allotted to V R Rajiven, 15,000 Equity Shares were allotted to Ramanathan Annamalai, 20,000 Equity Shares were allotted to Gautam Rathindranath Saigal, 25,000 Equity Shares were allotted to Blangat Narayanan Raveendra Babu, and 93,689 Equity Shares were allotted to Vazhappully Padmanabhan Nandakumar	10.00^	96.60	Cash	Rights issue	26,276,636	262,766,360
December 22, 2017	5,798,224	513,900 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 2,943 Equity Shares were allotted to S. Gopinath, 1,472 Equity Shares were allotted to Tolerance Samuel M. P., 1,472 Equity Shares were allotted to S. Muthukumar, 5,242,821 Equity Shares were allotted to MAFIL, 4,415 Equity Shares were allotted to Gautam Rathindranath Saigal, 5,000 Equity Shares were allotted to Ramanathan Annamalai, 20,682 Equity Shares were allotted to Vazhappully Padmanabhan Nandakumar, and 5,519 Equity Shares were allotted to Blangat Narayanan Raveendra Babu	10.00	95.34	Cash	Rights issue^	32,074,860	320,748,600
April 27, 2018	10,488,777	168,100 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 2,660 Equity Shares were allotted to S. Muthukumar, 10,291,894 Equity Shares were allotted to MAFIL, 7,979 Equity Shares were allotted to Gautam Rathindranath Saigal, 6,536 Equity Shares were allotted to Ramanathan Annamalai, 9,974 Equity Shares were allotted to Blangat Narayanan Raveendra Babu and 1,634 Equity Shares were allotted to V. R Rajiven	10.00	95.34	Cash	Rights issue^	42,563,637	425,636,370
March 16, 2019	10,748,250	10,473,195 Equity Shares were allotted to MAFIL, 218,000 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 29,020 Equity Shares were allotted to Vazhappully Padmanabhan Nandakumar, 9,673 Equity Shares were allotted to Blangat Narayanan Raveendra Babu, 8,599 Equity Shares were allotted to Gautam Rathindranath Saigal, 5,464 Equity Shares were allotted to Ramanathan Annamalai, 1,075 Equity Shares were allotted to V. R Rajiven, and 3,224 Equity Shares were allotted to S Muthukumar	10.00	252.00	Cash	Rights issue^	53,311,887	533,118,870

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
September 29, 2022	9,328,358	9,152,873 Equity Shares were allotted to MAFIL, 35,585 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 100, 000 Equity Shares were allotted to Vazhappully Padmanabhan Nandakumar, 8,778 Equity Shares were allotted to Blangat Narayanan Raveendra Babu, 7,173 Equity Shares were allotted to Gautam Rathindranath Saigal, 4,000 Equity Shares were allotted to Ramanathan Annamalai, 1,349 Equity Shares were allotted to Sheela Rajiven and 18, 600 Equity Shares were allotted to Desh Raj Dogra	10.00	268.00	Cash	Rights issue	62,640,245	626,402,450
Allotment of Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus								
June 30, 2023	4,120,879	59,734 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 2,200 Equity Shares were allotted to Ramanathan Annamalai, 922 Equity Shares were allotted to S Muthukumar, 3,169 Equity Shares were allotted to Gautam Rathindranath Saigal, 16,012 Equity Shares were allotted to Vazhappully Padmanabhan Nandakumar, 3,878 Equity Shares were allotted to Blangat Narayanan Raveendra Babu, 11,224 Equity Shares were allotted to Desh Raj Dogra, 4,023,144 Equity Shares were allotted to MAFIL and 596 Equity Shares were allotted to Sheela Rajiven	10.00	364.00	Cash	Rights issue	66,761,124	667,611,240
August 26, 2023	133,522,248	2,239,468 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 76,400 Equity Shares were allotted to Ramanathan Annamalai, 29,890 Equity Shares were allotted to S Muthukumar, 102,670 Equity Shares were allotted to Gautam Rathindranath Saigal, 518,806 Equity Shares were allotted to Vazhappully Padmanabhan Nandakumar, 125,644 Equity Shares were allotted to Blangat Narayanan Raveendra Babu, 59,648 Equity Shares were allotted to Desh Raj Dogra, 130,323,746 Equity Shares were allotted to MAFIL, 19,308 Equity Shares were allotted to Sheela Rajiven and 26,668 Equity Shares were allotted to G. Srikanth	10.00	Not Applicable	Not Applicable	Allotment pursuant to bonus issue of Equity Shares in the ratio of two Equity Shares for every one Equity Share held by eligible shareholders of our Company holding Equity Shares	200,283,372	2,002,833,720

^ *Certain corporate records including minutes of the meetings of Board and Shareholders of our Company, letters of renunciation and acceptance pertaining to few rights issues and form FCGPR are not traceable by our Company, while certain corporate records have errors. For further details, see "Risk Factors – Certain of our corporate filings and records are not traceable, while certain corporate records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 48. Accordingly, certain details in relation to these allotments cannot be ascertained.*

(ii) ***Preference share capital***

Our Company does not have any outstanding preference shares, as on the date of this Draft Red Herring Prospectus.

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

The Issue Price is ₹ [●]. For further details in relation to the issuances in preceding one year, see "– *Notes to the Capital Structure – Share capital history of our Company – (a) Equity Share capital*" on page 74.

3. **Issue of shares for consideration other than cash or out of revaluation reserves or by way of bonus issue**

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

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

(iii) Except as disclosed below, our Company has not issued any Equity Shares by way of bonus issue as of the date of this Draft Red Herring Prospectus. For further details, see "- *Notes to the Capital Structure – share capital history of our Company – (a) Equity share capital*" on page 74.

Date of allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Reason for allotment	Benefits accrued to our Company
August 26, 2023	133,522,248	10.00	Not Applicable	Bonus issue of Equity Shares in the ratio of two Equity Shares for every one Equity Share held by eligible shareholders of our Company holding Equity Shares.	Not Applicable

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

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

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

As on the date of this Draft Red Herring Prospectus, our Promoter holds 195,485,619 Equity Shares equivalent to 97.59% of the issued, subscribed and paid-up pre-Issue Equity Share capital of our Company, calculated on a fully diluted basis assuming exercise of vested options under the ESOS 2019, as applicable.

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

(a) Build-up of the Equity shareholding of our Promoter in our Company

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

Date of allotment/ transfer	Number of Equity Shares	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre-Issue Equity Share capital* (%)	Percentage of the post-Issue Equity Share capital (%)
February 12, 2015	5,836,887	Transfer pursuant to SPA-I, SPA-II and SPA-III^(1)	Cash	10.00	83.32	2.91	[●]
February 19, 2015	7,561,126	Rights issue	Cash	10.00	83.32	3.77	[●]
March 4, 2016	10,351,966	Rights issue	Cash	10.00^	96.60	5.17	[●]
December 22, 2017	5,242,821	Rights issue	Cash	10.00	95.34	2.62	[●]
April 27, 2018	10,291,894	Rights issue	Cash	10.00	95.34	5.14	[●]
March 16, 2019	10,473,195	Rights issue	Cash	10.00	252.00	5.23	[●]
July 13, 2020	775,989	Transfer from Raja Vaidyanathan Venkataraman Sattanathapuram	Cash	10.00	280.83	0.39	[●]
July 19, 2021	1,451,978	Transfer from Raja Vaidyanathan Venkataraman Sattanathapuram	Cash	10.00	272.35	0.72	[●]

Date of allotment/ transfer	Number of Equity Shares	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre-Issue Equity Share capital* (%)	Percentage of the post-Issue Equity Share capital (%)
September 29, 2022	9,152,873	Rights issue	Cash	10.00	268.00	4.57	[●]
June 30, 2023	4,023,144	Rights issue	Cash	10.00	364.00	2.01	[●]
August 26, 2023	130,323,746	Allotment pursuant to bonus issue of Equity Shares in the ratio of two Equity Shares for every one Equity Share held by eligible shareholders of our Company holding Equity Shares	Not Applicable	10.00	Not Applicable	65.06	
Total	**195,485,619**					**97.59**	**[●]**

^Certain corporate records including minutes of the meetings of Board and Shareholders of our Company and share transfer forms are not traceable by our Company, while certain corporate records have errors. For further details, see "Risk Factors – Certain of our corporate filings and records are not traceable, while certain corporate records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 48. Accordingly, certain details in relation to these allotments or transfers cannot be ascertained.

** The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by Shareholders and such number of Equity Shares which will result upon exercise of vested options under ESOS 2019, as applicable.*

(1)Transfer of 1,031,834 Equity Shares from Raja Vaidyanathan Venkataraman Sattanathapuram, 100,000 Equity Shares from Anjana Vaidyanathan, 400,000 Equity Shares from S.V. Krishnamurthy, 400,000 Equity Shares from Hemalathaa K. Murthy, 100,000 Equity Shares from Sharadh Krishnamurthy, 100,000 Equity Shares from Janani Krishnamurthy, 1,000,000 Equity Shares from K. Sethuraman (jointly held with Sushila Sethuraman), 2,605,855 Equity Shares from Lok Capital LLC, 6,666 Equity Shares from G. Srikanth, 11,666 Equity Shares from S. Gopinath, 5,833 Equity Shares from Tolerance Samuel M. P., 3,333 Equity Shares from Muthukumar, 4,000 Equity Shares from Shylasree Padmanabham, 4,000 Equity Shares from Sabarinathan T., 4,000 Equity Shares from Suthakaran K, 4,000 Equity Shares from Thangappan V, 4,000 Equity Shares from Rajasekaran NRK, 1,500 Equity Shares from Ramesh T, 1,500 Equity Shares from Gunaseelan S, 1,500 Equity Shares from Chellapandi S, 1,500 Equity Shares from Rajendran M, 1,500 Equity Shares from Krishnamoorthy S, 1,500 Equity Shares from Ayyanar K, 1,500 Equity Shares from Muthurmalingam R, 1,500 Equity Shares from Mahesh Kannan K, 1,500 Equity Shares from Rajasekar K, 1,500 Equity Shares from Nethaji K, 1,500 Equity Shares from Lakshmi Narayanan, 1,500 Equity Shares from R Premkumar Thambiraj, 1,500 Equity Shares from Ravikumar N., 1,500 Equity Shares from J Kannan, 1,500 Equity Shares from Santhakumar D, 1,500 Equity Shares from Parthasarathi C., 20,000 Equity Shares from Raghavender Anand, 2,500 Equity Shares from S. Ganesan, 5,000 Equity Shares from S Ragothaman (jointly held with Usha Ragothaman), 100 Equity Shares from Nalini Hari, and 100 Equity Shares from S Hari

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

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

All Equity Shares held by our Promoter are in dematerialized form, as on the date of this Draft Red Herring Prospectus.

(b) Details of lock-in:

1. Details of Promoter contribution and lock-in

(i) In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter, shall be locked in for a period of 18 months from the date of Allotment as minimum Promoter's contribution and the shareholding of our Promoter in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of six months from the date of Allotment.

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

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

Note: To be updated in the Prospectus

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

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

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

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

In this connection, we confirm the following:

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

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

c. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company.

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

2. Details of Equity Shares locked-in for six months

(i) In accordance with Regulation 17 of the SEBI ICDR Regulations, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, except for (i) any Equity Shares allotted to eligible employees of the Company, whether currently employees or not and including the legal heirs or nominees of any deceased employees or previous employees pursuant to ESOS 2019; and (ii) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCI, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

3. Lock-in of Equity Shares allotted to Anchor Investors

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

4. Other lock-in requirements

(i) 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.

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

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

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

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

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

Sr. No.	Name	Number of Equity Shares	Percentage of the pre-Issue Equity Share capital* (%)	Percentage of the post-Issue Equity Share capital (%)
Promoter				
1.	MAFIL	195,485,619	97.59	[●]
Directors of our Promoter				
2.	Vazhappully Padmanabhan Nandakumar	778,209	0.39	[●]
Total		**196,263,828**	**97.98**	**[●]**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by Shareholders and such number of Equity Shares which will result upon exercise of vested options under the ESOS 2019, as applicable.*

For further details, see "*Our Promoter and Promoter Group*" beginning on page 260.

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

S. No.	Name	Number of Equity Shares	Number of vested employee stock options	Number of unvested employee stock options	Percentage of the pre-Issue Equity Share capital* (%)	Percentage of the post-Issue Equity Share capital (%)
Directors						
1.	Vazhappully Padmanabhan Nandakumar	778,209	Not Applicable	Not Applicable	0.39	[●]
2.	Raja Vaidyanathan Venkataraman Sattanathapuram	3,359,202	Nil	Nil	1.68	[●]
3.	Blangat Narayanan Raveendra Babu **	188,466	Not Applicable	Not Applicable	0.09	[●]
4.	Gautam Rathindranath Saigal	154,005	Not Applicable	Not Applicable	0.08	[●]
5.	Ramanathan Annamalai	114,600	Not Applicable	Not Applicable	0.06	[●]
6.	Desh Raj Dogra	89,472	Not Applicable	Not Applicable	0.04	[●]
Total		**4,683,954**	**Nil**	**Nil**	**2.34**	**[●]**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOS 2019, as applicable.*

** *Except for Blangat Narayanan Raveendra Babu, who is also a Key Managerial Personnel, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.*

For further details, see "*Our Management*" beginning on page 240.

7. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 10.

8. **Shareholding pattern of our Company**

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of voting rights		Total as a % of (A+B+C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b) on a fully diluted basis	
								Class: Equity Shares	Total								
(A)	**Promoter and Promoter Group**	1	195,485,619	-	-	19,5485,619	97.60	195,485,619	19,548,5619	97.60	-	-	-	-	-	-	195,485,619
(B)	**Public**	9	4,797,753	-	-	4,797,753	2.40	4,797,753	4,797,753	2.40	-	-	-	-	-	-	4,797,753
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**10**	**200,283,372**	-	-	**200,283,372**	**100.00**	**200,283,372**	**200,283,372**	**100.00**	-	-	-	-	-	-	**200,283,372**

9. **Details of equity shareholding of the major Shareholders of our Company**

a) The Shareholders holding 1% or more of the paid-up Equity Share capital (on a fully diluted basis) of the Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Issue Equity Share capital (%)*	Percentage of the pre-Issue Equity Share capital on a fully diluted basis^ (%)
1.	MAFIL	195,485,619	97.60	97.59
2.	Raja Vaidyanathan Venkataraman Sattanathapuram	3,359,202	1.68	1.68
Total		**198,844,821**	**99.28**	**99.27**

** Based on the beneficiary position statement dated October 3, 2023*

^ The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOS 2019, as applicable.

b) The Shareholders who held 1% or more of the paid-up Equity Share capital (on a fully diluted basis) of the Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Issue Equity Share capital (%)*	Percentage of the pre-Issue Equity Share capital on a fully diluted basis^ (%)
1.	MAFIL	195,485,619	97.60	97.59
2.	Raja Vaidyanathan Venkataraman Sattanathapuram	3,359,202	1.68	1.68
Total		**198,844,821**	**99.28**	**99.27**

** Based on the beneficiary position statement dated September 22, 2023*

^ The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOS 2019, as applicable.

c) The Shareholders who held 1% or more of the paid-up Equity Share capital (on a fully diluted basis) of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Issue Equity Share capital (%)*	Percentage of the pre-Issue Equity Share capital on a fully diluted basis^ (%)
1.	MAFIL	51,985,856	97.51	97.46
2.	Raja Vaidyanathan Venkataraman Sattanathapuram	1,024,415	1.92	1.92
Total		**53,010,271**	**99.43**	**99.38**

** Based on the beneficiary position statement dated October 3, 2022*

^ The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOS 2019, as applicable.

d) The Shareholders who held 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Issue Equity Share capital (%)*	Percentage of the pre-Issue Equity Share capital on a fully diluted basis^ (%)
1.	MAFIL	51,985,856	97.51	97.46
2.	Raja Vaidyanathan Venkataraman Sattanathapuram	1,024,415	1.92	1.92
Total		**53,010,271**	**99.43**	**99.38**

** Based on the beneficiary position statement dated October 4, 2021*

^ The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOS 2019, as applicable.

10. **Employee Stock Options Schemes of our Company**

(i) ESOS 2019

Our Company, pursuant to the resolutions passed by our Board on February 2, 2019 and our Shareholders on March 16, 2019, adopted the ESOS 2019.The ESOS 2019 was further amended by Board and Shareholders resolutions dated September 22, 2023 and October 3, 2023, respectively. The objective of ESOS 2019 is to reward the eligible employees performing on par excellence, as an incentive to attract and retain the best available talent, to ensure long term commitment to the Company, to encourage individual ownership of the Company by such recognised eligible employees, to motivate them to contribute to the growth and development of the Company and thereby to achieve the ultimate objective of enhancing the enterprise value of the Company. The ESOS 2019 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOS 2019, an aggregate of 830,000 options have been granted, out of which 801,125 options had been lapsed. Currently, 28,875 options are outstanding as on the date of this Draft Red Herring Prospectus.

The details of the ESOS 2019, as certified by M. P. Chitale & Co., Chartered Accountants, through a certificate dated October 4, 2023 are as follows:

<table>
<tr><th rowspan="2">Particulars</th><th colspan="5">Details</th></tr>
<tr><th>Fiscal 2021</th><th>Fiscal 2022</th><th>Fiscal 2023</th><th>For the three months period ended June 30, 2023</th><th>From July 1, 2023 till the date of this Draft Red Herring Prospectus</th></tr>
<tr><td>Total options outstanding in the beginning of the period</td><td>655,000</td><td>512,500</td><td>242,500</td><td>64,750</td><td>28,875</td></tr>
<tr><td>Options granted</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Cumulative options granted</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>No. of employees to whom options were granted</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Cumulative employees to whom options have been granted</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Options vested (including options that have been exercised)</td><td>Nil</td><td>115,500</td><td>61,250</td><td>Nil</td><td>28,875</td></tr>
<tr><td>Options exercised</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Exercise price (in ₹)</td><td colspan="5">₹ 364 per Equity Share</td></tr>
<tr><td>Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)</td><td>512,500</td><td>242,500</td><td>64,750</td><td>28,875</td><td>28,875</td></tr>
<tr><td>Options forfeited/lapsed/cancelled/expired</td><td>142,500</td><td>270,000</td><td>177,750</td><td>35,875</td><td>Nil</td></tr>
<tr><td>Options outstanding (including vested and unvested options)</td><td>512,500</td><td>242,500</td><td>64,750</td><td>28,875</td><td>28,875</td></tr>
<tr><td>Variation of terms of options</td><td colspan="5">Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td>512,500</td><td>242,500</td><td>64,750</td><td>28,875</td><td>28,875</td></tr>
<tr><td>Employee wise details of options granted to:</td><td colspan="5"></td></tr>
<tr><td>(i) Key Managerial Personnel and Senior Management Personnel</td><td colspan="5">Nil</td></tr>
<tr><td>(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td><table><tr><th>Name of employee</th><th>Total number of options granted</th></tr><tr><td>Ramachandran S</td><td>50,000</td></tr></table></td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="5">Nil</td></tr>
<tr><td>Fully diluted EPS on a pre-Issue basis pursuant to the issue of</td><td>1.01</td><td>0.87</td><td>12.84</td><td>5.99</td><td>Not Applicable</td></tr>
</table>

Particulars	Details				
	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the three months period ended June 30, 2023	From July 1, 2023 till the date of this Draft Red Herring Prospectus
Equity Shares on exercise of options calculated in accordance with the IND AS 33 'Earnings Per Share'					
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not applicable since fair value using 'Modified Black- Scholes' method has been used for calculating employee compensation cost				
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	Using 'Modified Black-Scholes' method[(1)]				
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not Applicable				
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Issue, if any	Not applicable since no options were exercised under ESOS 2019				
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not applicable since no options were exercised under ESOS 2019				

Notes:

(1) Calculation of fair value of the options

Particulars	*Fiscal 2021*	*Fiscal 2022*	*Fiscal 2023*	*For the three-month period ended June 30, 2023*	*From July 1, 2023 till the date of this Draft Red Herring Prospectus*
Option fair value	*81.18*				
Risk free interest rate	*6.61% - 7.00%*				
Expected life (in years)	*1 year after vesting i.e. last possible exercise date*				
Expected volatility	*50.00%*				
Share price on the date of grant (Face value ₹10 per share	*239.37*				

11. None of the members of our Promoter Group hold any Equity Shares in our Company.

12. None of the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

13. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares issued pursuant to the Issue will be fully paid up at the time of Allotment.

14. None of our Promoter, members of our Promoter Group, director of MAFIL, our Directors and their respective relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, except as disclosed below:

Date of allotment of Equity Shares	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment
June 30, 2023	59,734 Equity Shares were allotted to Raja Vaidyanathan Venkataraman Sattanathapuram, 2,200 Equity Shares were allotted to Ramanathan Annamalai, 3,169 Equity Shares were allotted to Gautam Rathindranath Saigal, 16,012 Equity Shares were allotted to Vazhappully Padmanabhan Nandakumar, 3,878 Equity Shares were allotted to Blangat Narayanan Raveendra Babu, 11,224 Equity Shares were allotted to Desh Raj Dogra and 4,023,144 Equity Shares were allotted to MAFIL	10.00	364.00	Cash	Rights Issue

15. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares being offered through the Issue.

16. Except for any issue of Equity Shares pursuant to the Issue, allotment of Equity Shares pursuant to the Pre-IPO Placement, exercise of options vested under ESOS 2019, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Issue or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be in the event there is a failure of the Issue.

17. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to (a) the issuance of any Equity Shares under the Issue; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options granted or which may be granted under the ESOS 2019.

18. At any given time, there shall be only one denomination for the Equity Shares.

19. Except for employee stock options granted under ESOS 2019, there are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

20. No person connected with the Issue, including, but not limited to the BRLMs, the Syndicate Members, our Company, the Promoter, our Directors, or the members of the Promoter Group, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Issue, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

21. There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors, directors of MAFIL and their respective relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

22. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Issue shall be intimated to the Stock Exchanges within 24 hours of such transaction.

23. Our Promoter and Promoter Group shall not participate in the Issue.

OBJECTS OF THE ISSUE

The Issue is a Fresh Issue of Equity Shares.

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards augmenting the capital base of our Company to meet future business requirements (referred to herein as the "**Objects**").

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including to enhance our brand image among our existing and potential customers and creation of a public market for the Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us: (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount (*₹ in million*)
Gross Proceeds of the Fresh Issue(1)	15,000
(Less) Fresh Issue related expenses(1)(2)	([●])
Net Proceeds(1)	[●]

(1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement of up to ₹3,000 million. Upon allotment of specified securities issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue prior to completion of the Issue. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR.

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

(3) For details see "- Issue related expenses" below on page 90.

Proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be deployed in the Financial Year 2024.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, prevailing market conditions and other commercial and technical factors. The fund requirements and deployment of funds have not been appraised by any bank, or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Financial Year, as may be determined by our Company, in accordance with applicable laws. For details on risks involved, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates. They have not been appraised by any bank or financial institution, and may be subject to change based on various factors. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval*" on page 51.

Details of the Objects of the Fresh Issue

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

As an NBFC-MFI, 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. As per the master direction and prudential norms issued by the RBI, we are required to maintain a minimum CRAR of 15% consisting of Tier I Capital and Tier II Capital. As at June 30, 2023 our Company's CRAR was 23.12% of which Tier I Capital base was 17.84%.

The following table sets forth details of composition of the Company's Tier I Capital as at June 30, 2023, June 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021:

(*₹ in million*)

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Share capital	667.61	533.12	626.40	533.12	533.12
Reserves and surplus	17,381.62	10,078.39	14,813.68	10,175.37	10,024.51
Intangible assets#	86.91	21.05	66.99	23.62	31.42
Deferred tax asset (net)	519.14	1,223.15	717.42	939.01	832.12

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
50% of cash collateral towards securitization (*cash collateral to be limited to 15% of the securitization pool outstanding*)	189.47	-	135.94	-	70.52

 # Includes intangible assets under development

Capital Adequacy

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

(₹ in millions except percentages)

Particulars	As at and for the period ended		Financial Year ended March 31,		
	June 30, 2023	June 30, 2022	2023	2022	2021
Tier I Capital	16,887.31	9,059.46	14,069.89	9,439.38	9,396.23
Tier II Capital	4,990.41	2,272.93	4,014.71	2,623.87	1,799.17
Total capital	21,877.72	11,332.39	18,084.60	12,063.25	11,195.40
Total risk weighted assets and contingents	**94,641.18**	**58,828.91**	**90,305.04**	**59,606.87**	**48,831.11**

Particulars	As at and for the period ended		Financial Year ended March 31,		
	June 30, 2023	June 30, 2022	2023	2022	2021
Capital Adequacy Ratio (%)	23.12%	19.26%	20.03%	20.24%	22.93%
Tier I Capital (%)	17.84%	15.40%	15.58%	15.84%	19.24%
Tier II Capital (%)	5.27%	3.86%	4.45%	4.40%	3.68%
Total Borrowings(1) to Total Equity ratio(2)	**4.43**	**5.19**	**5.46**	**4.90**	**4.40**

Notes:

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and collateralised borrowing principal outstanding as of the last day of the relevant period.

(2) Total Borrowings to Total Equity ratio represents Total Borrowings as of the last day of the relevant period upon Total Equity as of the last day of the relevant period.

Since our Company continues to grow our loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business.

Our Company proposes to utilise the Net Proceeds towards augmenting its capital base to meet future business requirements, which are expected to arise out of growth of our business and assets, including but not limited to, onward lending under our Company's lending verticals. For further details, see "*Our Business*" beginning on page 187.

Our Company expects to receive the benefits of listing the Equity Shares on the Stock Exchanges.

Means of finance

The 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.

Issue related expenses

The total Issue related expenses are estimated to be approximately ₹[●] million. The Issue related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the book running lead managers, legal counsels, Registrar to the Issue, Escrow Collection Bank, Public Issue Account Bank, Refund Bank and Sponsor Banks including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Issue will be borne by our Company.

The break-up of the estimated Issue expenses is as follows:

Activity	Estimated expenses(1) (₹ in million)	As a % of the total estimated Issue expenses(1)	As a % of the total Issue size(1)
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/ processing fee for SCSBs and Bankers to the Issue and fees payable to the Sponsor Banks for Bids made by	[●]	[●]	[●]

Activity	Estimated expenses(1) (₹ in million)	As a % of the total estimated Issue expenses(1)	As a % of the total Issue size(1)
UPI Bidders. Brokerage, selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(2)(3)(4)(5)			
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to advisors and consultants to the Issue:			
- Auditors	[●]	[●]	[●]
- Industry expert	[●]	[●]	[●]
- Fee payable to legal counsel	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) *Amounts will be finalised and incorporated in the Prospectus upon determination of the Issue Price.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs and NIBs which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for RIBs**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for NIBs**	*[●]% of the Amount Allotted* (plus applicable taxes)*

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

(3) *No additional uploading / processing fees shall be payable by our Company to the SCSBs on the Bid cum Application Forms directly procured by them.*

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

Processing fees payable to the SCSBs on the portion for RIBs and NIBs which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIBs	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
Portion for NIBs	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*

The selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs 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 such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

(4) *The uploading charges/ processing fees for applications made by UPI Bidders would be as follows:*

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹[●] per valid Bid cum Application Form* (plus applicable taxes)*
Sponsor Banks	*₹[●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

* *For each valid application.*

Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by the RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

(5) *Selling commission on the portion for RIBs and NINs which are procured by Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

*Portion for RIBs**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for NIBs**	*[●]% of the Amount Allotted* (plus applicable taxes)*

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

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of the Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company.

Bridge financing facilities

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

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

Monitoring of utilization of funds entity

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Net Proceeds, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Issue Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above.

Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in an English national daily newspaper, one in a Hindi national daily newspaper and one in a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each having wide circulation, in accordance with the Companies Act and applicable rules. Our Promoter and controlling Shareholder will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as prescribed our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Other confirmations

None of our Promoter, the members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel or Group Companies will receive any portion of the Issue Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue, except as set out above.

BASIS FOR ISSUE PRICE

The Price Band and the Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue 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. Investors should also see "*Risk Factors*", "*Summary of Financial Information*", "*Our Business*", "*Restated Financial Information*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 61, 187, 301 and 381, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are:

1. Largest and most diversified MFI in terms of geographical spread, with lowest concentration among top three states;
2. Third largest MFI in terms of AUM, with scalable operations, well positioned to capture industry tailwinds and controlled ticket sizes compared to peers;
3. Commitment towards simplified, borrower-centric products and processes which help in better business transparency, growth and borrower relationship;
4. Low-cost liability franchise, backed by diverse borrowing mix and lender base; First NBFC-MFI to be rated AA- by a credit rating agency;
5. Advanced, integrated and scalable technology-enabled infrastructure;
6. Continuous focus on risk management, on ground audit, vigilance checks and crisis-tested collection capabilities, leading to healthy asset quality; and
7. Experienced Board of Directors and senior management, backed by marquee parentage

For further details, see "*Our Business – Competitive Strengths*" on page 190.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "*Restated Financial Information*" and "*Other Financial Information*" on page 301 and 380, respectively.

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

A. Basic and Diluted Earnings Per Share for continuing operations ("EPS") (face value of each Equity Share is ₹10):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	12.84	12.84	3
March 31, 2022	0.87	0.87	2
March 31, 2021	1.01	1.01	1
Weighted Average	**6.88**	**6.88**	-
Three months period ended June 30, 2023*	5.99	5.99	-
Three months period ended June 30, 2022*	(0.54)	(0.54)	-

* *Not annualized*

Notes:

i. *EPS has been calculated in accordance with the Indian Accounting Standard 33 –"Earnings per share". The face value of equity shares of the Company is ₹10.*
ii. *Basic Earnings per share = Net profit after tax (loss after tax) as per Restated Financial Information / Weighted average number of equity shares outstanding during the year.*
iii. *Diluted Earnings per share = Net profit after tax (loss after tax) as per Restated Financial Information / Weighted average number of potential equity shares outstanding during the year.*
iv. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year /Total of weights.*
v. *The impact of bonus issue affected in the Financial Year 2023-24 has been considered while computing the above figures of Basic and Diluted EPS for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and three months period ended June 30, 2022 and June 30, 2023.*

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

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for financial year ended March 31, 2023	[●]#	[●]#
Based on diluted EPS for financial year ended March 31, 2023	[●]#	[●]#

 # The details shall be provided post the fixing of price band by our Company at the stage of Red Herring Prospectus or the filing of price band advertisement.

C. Industry Peer Group P/E ratio

Particulars	P/E Ratio	Name of the Company
Highest	436.24	Spandana Sphoorty Financial Limited
Lowest	7.15	Satin Creditcare Network Limited
Average	67.74	

Notes:

The highest, lowest and average industry P/E shown above is based on the peer set provided above under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. P/E figures for the peer are computed based on closing market price as on September 25, 2023 on the BSE, divided by Diluted EPS (on standalone basis) based on the financial results of the respective company for the year ended March 31, 2023, submitted to stock exchanges.

D. Industry P/B Ratio

Particulars	P/B Ratio	Name of the Company
Highest	4.01	CreditAccess Grameen Ltd
Lowest	1.02	Satin Creditcare Network Limited
Average	2.13	

Notes:

The highest, lowest and average industry P/B shown above is based on the peer set provided above under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/B of the peer set provided below. P/B figures for the peer are computed based on closing market price as on September 25, 2023 on the BSE, divided by Net Asset Value (NAV) based on the financial results of the respective company for the year ended March 31, 2023, submitted to stock exchanges.

E. Average return on Net Worth ("RoNW"), as per the Restated Financial Information

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2023	14.47%	3
March 31, 2022	1.30%	2
March 31, 2021	1.53%	1
Weighted Average	7.92%	-

Notes:

1. *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*
2. *Return on Net Worth (%) = Net Profit after tax, as restated / Net worth as restated as at year end.*
3. *Net worth means the aggregate value of the paid-up share capital of the Company and all reserves created out of 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2021, March 31, 2022 and March 31, 2023, and June 30, 2022 and June 30, 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations as per Restated Financial Statement of Assets and Liabilities of the Company.*

F. Net Asset Value ("NAV") per Share

Financial Year ended/ Period ended	Amount (₹)
As on March 31, 2023	246.49
As at June 30, 2023	270.36
After the completion of the Issue	
- At the Floor Price*	[●]
- At the Cap Price*	[●]
Issue Price*	[●]

** Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*

Notes:

1. *The Net Asset Value per equity share represents net worth as at the end of the fiscal year, as per Restated Financial Information, divided by the number of Equity Shares outstanding at the end of the period/year.*

G. Comparison with Listed Industry Peers

Following is the comparison with the peer group companies of the Company listed in India and in the same line of business as the Company:

Name of the company	Face value (₹ per share)	Total Revenue (₹ in million)	EPS (₹)		NAV (Rs. per share)	P/E	P/B	RoNW (%)
			Basic	Diluted				
Asirvad Micro Finance Limited*	10	17,592.76	12.84	12.84	246.49	Not Applicable	Not Applicable	14.47%
Listed Peers								

Name of the company	Face value (₹ per share)	Total Revenue (₹ in million)	EPS (₹)		NAV (Rs. per share)	P/E	P/B	RoNW (%)
			Basic	Diluted				
CreditAccess Grameen Ltd	10	35,507.60	52.04	51.81	321.38	24.90	4.01	16.17%
Fusion Micro Finance Limited	10	17,999.70	43.29	43.13	231.39	13.85	2.58	16.67%
Satin Creditcare Network Limited	10	17,615.45	33.79	32.30	225.83	7.15	1.02	13.81%
Spandana Sphoorty Financial Limited	10	13,944.53	1.74	1.74	428.72	436.24	1.77	0.41%
Bandhan Bank Limited**	10	1,83,732.50	13.62	13.62	121.58	18.56	2.08	11.2%
Ujjivan Small Finance Bank Limited**	10	47,541.90	5.88	5.87	21.53	8.40	2.29	26.1%
Utkarsh Small Finance Bank Limited**	10	28,042.86	4.52	4.51	22.33	11.10	2.24	20.2%
Suryoday Small Finance Bank Limited**	10	12,811.00	7.32	7.32	149.28	21.70	1.06	4.9%

** Financial information for Asirvad Micro Finance Limited is derived from the Restated Financial Information for the year ended March 31, 2023.*
***The business models of small finance banks and banks are typically different from NBFC-MFIs. However, we have considered Bandhan Bank, Ujjivan Small Finance Bank, Utkarsh Small Finance Bank and Suryoday Small Finance Bank since their loan portfolio is inclined towards MFI segment and all of them were NBFC MFIs before becoming a universal bank / small finance bank.*

Notes:

1. *All the financial information for listed industry peers mentioned above is on standalone basis and is sourced from the annual reports as available of the respective company for the year ended March 31, 2023.*
2. *P/E ratio is calculated as closing share price (September 25, 2023, -BSE) / Diluted EPS for year ended March 31, 2023.*
3. *P/B ratio is calculated as closing share price (September 25,2023, -BSE) / NAV per share for year ended March 31, 2023.*
4. *Basic and Diluted EPS as reported in the annual report/financial results of the listed peer company for the year ended March 31, 2023.*
5. *Return on net worth (RoNW) (%) = Net profit/(loss) after tax / Net worth at the end of the year.*
6. *Net asset value per share (in ₹) = Net worth at the end of the year / Total number of equity shares outstanding at the end of the year.*
7. *Net worth means the aggregate value of the paid-up share capital of the Company and all reserves created out of 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2021, March 31, 2022 and March 31, 2023, and June 30, 2022 and June 30, 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations as per Restated Financial Statement of Assets and Liabilities of the Company.*
8. *The audited financial statement for the year ended March 31, 2023 of CreditAccess Grameen Limited, Fusion Micro Finance Limited, Satin Creditcare Network Ltd, Spandana Sphoorty Financial Limited were prepared as per Ind AS and Bandhan Bank, Ujjivan Small Finance Bank Limited, Utkarsh Small Finance Bank Limited, and Suryoday Small Finance Bank Limited were prepared as per Indian GAAP.*

H. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business verticals in comparison to our peers. The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 3, 2023 and the Audit Committee has confirmed that verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus and have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business verticals in comparison to our peers, have been disclosed in this section. Further, the KPIs herein have been certified by M.P Chitale & Co., Chartered Accountants pursuant to certificate dated October 4, 2023. This certificate has been designated as a material document for inspection in connection with the Offer. See "*Material Contracts and Documents for Inspection*" beginning on page 487.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in this section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

Set forth below are the KPIs pertaining to the Company that have been disclosed to its investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus and also have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our listed peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for the Issue Price.

Particulars	Asirvad Micro Finance Limited				
	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations					
AUM (₹ in million)	59,846.18	70,021.83	100,408.93	70,125.32	1,01,405.76
AUM Growth (%)	8.76%	17.00%	43.40%	15.86%	44.61%
AUM Mix	Microfinance loans -99.27% Loan against gold-0.04% MSME loans:0.69%	Microfinance loans-95.01% Loan against gold-4.29% MSME loans:0.69%	Microfinance loans-92.59% Loan against gold-7.02% MSME loans:0.38%	Microfinance loans-93.35% Loan against gold-6.00% MSME loans:0.65%	Microfinance loans-91.81% Loan against gold-7.79% MSME loans:0.40%
Gross Disbursement - Microfinance loans (₹ in million)	35,697.50	51,869.04	83,973.30	10,983.66	18,143.19
Gross Disbursement Growth - Microfinance loans (%)	(23.63%)	45.30%	61.89%	29.58%	65.18%
Number of Branches - Microfinance loans	1,025	1,203	1,489	1,203	1,500
Number of Active Borrowers - Microfinance loans (millions)	2.41	2.54	3.25	2.55	3.39
Number of Active Borrowers Growth - Microfinance loans (MFI)	1.78%	5.34%	27.91%	5.37%	33.01%
Number of Loans Disbursed (millions)	1.23	2.20	3.89	0.63	0.93
No. of Districts	326	408	436	419	446
AUM Share in Top 3 states (%)	42.69%	38.87%	37.33%	38.26%	37.92%
Average Ticket Size-Microfinance loans (₹)	28,987.36	30,549.24	37,197.33	40,249.26	35,308.82
Repeat / Unique Loan Accounts	0.75	3.82	1.18	3.00	1.11
Gross Disbursement Per Branch (₹ in million)	33.95	56.00	114.30	22.29	27.79
AUM Per Branch (₹ in million)	56.35	45.92	59.63	45.54	58.35
Active Borrowers Per Branch	2,269	1,688	1,984	1,687	2,011
AUM Per Employee (₹ in million)	7.91	5.55	6.33	5.59	6.30
Gross Disbursements Per Employee (₹ in million)	4.76	6.77	12.13	2.73	3.01
Capital					
Total Assets (₹ in million)	58,499.54	68,236.74	101,915.88	64,797.09	100,822.68
Net Worth (₹ in million)	10,557.63	10,708.49	15,440.08	10,611.51	18,049.23
AUM / Net Worth (times)	5.67	6.54	6.50	6.58	5.62
Total Borrowings (₹ in million)	46,741.68	55,587.61	84,260.95	51,993.70	79,410.95
Debt to Equity Ratio (times)	3.77	4.45	5.10	4.56	4.00
Capital Adequacy Ratio (%)	22.93%	20.24%	20.03%	19.26%	23.12%
Tier I Capital (%)	19.24%	15.84%	15.58%	15.40%	17.84%
Tier II Capital (%)	3.68%	4.40%	4.45%	3.86%	5.27%
Profitability					
Profit/ (Loss) After Tax (₹ in million)	161.01	139.30	2,234.28	(86.92)	1,127.25
Pre Provision Operating Profit (₹ in million)	3,295.98	4,262.86	5,846.10	1,078.17	2,567.41
Pre Provision Operating Profit Growth (%)	(18.14)%	29.34%	37.14%	6.17%	138.13%
Basic Earnings Per Equity Share (₹)	1.01	0.87	12.84	(0.54)	5.99
Diluted Earnings Per Equity Share (₹)	1.01	0.87	12.84	(0.54)	5.99
Net Asset Value Per Equity Share (₹)	198.04	200.87	246.49	199.05	270.36
Key Financial Ratios					
Yield on Average On- Books Portfolio (%)	19.46%	21.57%	20.42%	5.50%	6.44%
Average Cost of Borrowings (%)	9.97%	11.20%	9.01%	2.59%	2.65%
Spread (%)	9.49%	10.38%	11.41%	2.91%	3.79%
Net Interest Margin (%)	8.71%	9.55%	10.74%	2.68%	3.53%
Operating Expenses / Average AUM (%)	5.05%	6.36%	6.39%	1.63%	1.76%
Cost to Income Ratio (%)	46.81%	49.20%	48.24%	51.42%	40.91%
Credit Cost Ratio (%)	5.22%	6.27%	3.21%	1.69%	0.95%
Return on Average Net Worth (%)	1.54%	1.31%	17.09%	(0.82%)	6.73%
Return on Average Total Assets (%)	0.27%	0.22%	2.63%	(0.13%)	1.11%
Asset Quality					
Gross NPA Ratio (%)	1.77%	1.67%	2.81%	7.74%	2.89%

Particulars	Asirvad Micro Finance Limited				
	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Net NPA Ratio (%)	0.00%	0.30%	1.15%	1.91%	1.29%
Provision Coverage Ratio (%)	99.80%	82.19%	59.86%	76.76%	56.03%
Collection Efficiency (%)	95.59%	85.01%	101.20%	100.95%	100.92%
Ratio of restructured portfolio to On-Books Portfolio (%)	4.00%	10.44%	1.80%	9.49%	0.07%
Credit Rating					
Credit Rating	CRISIL AA-/Stable outlook	CRISIL AA-/Stable outlook	CRISIL AA-/Stable	CRISIL AA-/Stable	CRISIL AA-/Stable

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 187 and 381, respectively.

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

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating performance.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

SI. No.	Key Performance Indicators	Information / Explanations	Rationale
1	AUM (₹ in million)	AUM (₹ in million) represents aggregate of On- Books Portfolio and assets pertaining to direct assignment and securitisation as of the last day of the relevant period.	These metrics are used by the management to assess the growth in terms of scale and composition of business.
2	AUM Growth (%)	AUM Growth (%) represent the percentage of change in AUM as of the last day of the relevant period and that as of the last day of the previous period.	
3	AUM Mix	AUM Mix (Gross outstanding loan portfolio) represents the loan product wise split up of AUM.	
4	Gross Disbursement- Microfinance loans (₹ in million)	Gross Disbursement - Microfinance loans (₹ in million) represent the aggregate of all microfinance loan amounts extended to the Company's borrowers in the relevant period.	
5	Gross Disbursement Growth- Microfinance loans (%)	Gross Disbursement Growth - Microfinance loans (%) represents growth in microfinance loan disbursements for the relevant period as a percentage of disbursements for the previous period.	
6	Number of Branches- Microfinance loans	Number of Branches- Microfinance loans represents aggregate number of branches of the Company as of the last day of relevant period.	This metric is used by the management to assess the physical presence, footprints and geographical expansion of the business.
7	Number of Active Borrowers - Microfinance loans (millions)	Number of Active Borrowers - Microfinance loans (millions) refers to the Company's microfinance loan borrowers who had an active microfinance loan account as of the last day of the relevant period.	These metrics are used by the management to assess the growth in terms of scale and composition of business.
8	Number of Active Borrowers Growth- Microfinance loans (%)	Number of active borrowers growth - Microfinance loans (%) refer to growth in the number of microfinance loan borrowers as of the last day of the relevant period as a percentage of the number of microfinance loan borrowers as of the last day of the previous period.	

SI. No.	Key Performance Indicators	Information / Explanations	Rationale
9	Number of Loans Disbursed (millions)	Number of Loans Disbursed (millions) represents the aggregate number of loans disbursed during the relevant period.	
10	No. of Districts	Number of total Districts, company is active and having Branches	This metric is used by the management to assess the physical presence, footprints and geographical expansion of the business.
11	AUM Share in Top 3 states (%)	AUM Share in Top 3 states (%) of gross outstanding loan portfolio	These metrics are used by the management to assess the concentration and distribution of sector wise market power.
12	Average Ticket Size- Microfinance Loans (₹)	Average Ticket size – microfinance loans (₹) represents the microfinance loan amounts disbursed during the relevant period, divided by the number of loans	These metrics are used by the management to assess the growth in terms of scale and composition of business.
13	Repeat Loan Accounts	Repeat loan accounts represents the number of Microfinance loan borrowers who have taken one or more additional microfinance loans from the Company after taking their initial microfinance loans.	These metrics are used by the management to assess the growth in terms of scale and composition of business.
14	Gross Disbursement Per Branch (₹ in million)	Gross Disbursement Per Branch (₹ in million) represents the aggregate of all loan amounts extended to all the Company's customers in relevant per branch for the relevant year.	These metrics are used by the management to assess the branch and employee level productivity.
15	AUM Per Branch (₹ in million)	AUM Per Branch (₹ in million) is the ratio of AUM to number of branches.	
16	Active Borrowers Per Branch	Active Borrowers Per Branch is the ratio of total active borrowers to number of branches.	
17	AUM Per Employee (₹ in million)	AUM Per Employee (₹ millions) represents AUM as of the last day of the relevant period divided by the number of on roll employees.	
18	Gross Disbursements Per Employee (₹ in million)	Gross Disbursements Per Employee (₹ in million) is the ratio of gross disbursements to the number of employees.	
19	Total Assets (₹ in million)	Total Assets represents the total assets as of the last day of the relevant period.	These metrics are used by the management to ensure the adequacy of capital for the business growth.
20	Net Worth (₹ in million)	Net Worth represents the sum of equity share capital and other equity as of the last day of the relevant period.	
21	AUM / Net Worth (times)	AUM/ Net Worth is calculated as AUM as of the last day of the relevant period, divided by Net Worth as of the last day of the relevant period.	Metric that measures the financial leverage of a company and evaluates the extent to which it can cover its debt
22	Total Borrowings (₹ in million)	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.	These metrics are used by the management to ensure the adequacy of capital for the business growth.
23	Debt to Equity Ratio (times)	Debt to equity ratio represents the total borrowings less cash and cash equivalents divided by total equity attributable to shareholders as of the last day of the relevant period. Total borrowings represents the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant period.	
24	Capital Adequacy Ratio (%)	The capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).	
25	Tier I Capital (%)	Tier I capital ratio represents the ratio of Tier 1 Capital to total risk weighted assets. Tier I capital include (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual noncumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and	

SI. No.	Key Performance Indicators	Information / Explanations	Rationale
		advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI.	
26	Tier II Capital (%)	Tier II Capital (%) represent ration of tier II capital as a percentage of risk weighted assets.	
27	Profit/Loss After Tax (₹ in million)	Profit (Loss) After Tax represents our profit / (Loss) for the year (after tax) as per our Restated Financial Statements for the relevant year.	These metrics is used by the management for assessing the financial performance of our business during a particular period.
28	Pre Provision Operating Profit (₹ in million)	Pre Provision Operating Profit represents the sum of profit before tax for the relevant periods and impairment on financial instruments for such periods.	
29	Pre Provision Operating Profit Growth (%)	Pre Provision Operating Profit Growth (%) represents the sum of profit before tax for the relevant periods and impairment on financial instruments for such periods compared with the previous year.	
30	Basic Earnings Per Equity Share (₹)	Basic 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).	Indicates the Company's financial standing and profitability
31	Diluted Earnings Per Equity Share (₹)	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).	
32	Net Asset Value Per Equity Share (₹)	Net Asset Value per equity share represents Net Worth as of the last day of the relevant period divided by number of equity shares outstanding as of the last day of the relevant period.	
33	Yield on Average On-Books Portfolio (%)	Yield on Average On- Books Portfolio (%) represents the ratio of interest income on loan assets for a period to the average of On-Books Portfolio. Average, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding period. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business
34	Average Cost of Borrowings (%)	Average Cost of Borrowings represents finance cost (including collateralized borrowings) for the relevant period as a percentage of Average Borrowings in such period. Average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding period . For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.	
35	Spread (%)	Spread represents average yield on On- Books Portfolio less average cost of borrowings including collateralized borrowings. Average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding quarter. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022	
36	Net Interest Margin (%)	Net Interest Margin represents the net interest income on the loans for a period to the average AUM for the period, represented as a	

SI. No.	Key Performance Indicators	Information / Explanations	Rationale
		percentage. Average, where applicable, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding period. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.	
37	Operating Expenses / Average AUM (%)	Operating Expenses to Average AUM represents operating expenses for the relevant period upon the simple average of the Company's AUM. Average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding period . For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.	
38	Cost to Income Ratio (%)	Cost to Income Ratio represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total income less finance costs for the relevant period.	
39	Credit Cost Ratio (%)	Credit Cost to Average AUM represents our Credit Cost for a period to the Average AUM for the period represented as a percentage.	
40	Return on Average Net Worth (%)	Return on Average Net Worth (%) represents the ratio of Net Profit attributable to equity holders to our annual average of net worth. Our annual average of net worth is the simple average of our net worth as of March 31 / June 30 of the relevant year / period and our net worth as of March 31 of the preceding year.	These metrics are used by the management to assess the returns on the deployed capital and the assets in the business.
41	Return on Average Total Assets (%)	Return on Average Total Assets (%) represent net profit / (Loss) against total assets of the company as of the last day of the relevant period.	
42	Gross NPA Ratio (%)	Gross NPA Ratio (%) represents the Gross NPA to the On books Loan Portfolio as of the last day of the relevant period. Gross NPA represents On Books Loan Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against the delinquent loans.
43	Net NPA Ratio (%)	Net NPA Ratio (%) represents Net NPA to On-book Portfolio reduced by ECL on NPAs as of the last day of the relevant period. Net NPA represents Gross NPA reduced by NPA provision made against these loans as of the last day of relevant reporting period.	
44	Provision Coverage Ratio (%)	Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.	
45	Collection Efficiency (%)	Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant year.	These metrics are used by the management to assess collections.
46	Ratio of restructured portfolio to On- Books Portfolio (%)	Ratio of Restructured Portfolio to On-Books Loan Portfolio (%) represents the ratio of total outstanding portfolio held by our Company on the last day of the relevant year which have been restructured according to the directions of the RBI to On-Books portfolio as of last day of the relevant year.	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against the delinquent loans.
47	Credit Rating	Credit rating indicates an independent assessment of the creditworthiness of the company.	These metrics help the management to track the overall credit ratings of the Company on the basis of the assessment by independent rating

SI. No.	Key Performance Indicators	Information / Explanations	Rationale
			agencies.

J. Comparison of KPIs based on additions or dispositions to our business

Our Company has not made any additions or dispositions to its business during the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 or during the three months period ended June 30, 2023.

K. Comparison of its KPI with Listed Industry Peers

1. Credit Access Grameen Limited

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	113,410.00	137,320.00	210,310.00	156,150.00	218,140.00
AUM Growth (%)	Financial	14.60%	21.08%	53.15%	23.30%	39.70%
AUM Mix	Operational	IGL: 94%; Family Welfare:0% ; Home improvement:2% ; Emergency: 0%; Retail Finance: 3%	IGL: 96%; Family Welfare:0% ; Home improvement:3% ; Emergency: 0%; Retail Finance: 1%	IGL: 96%; Family Welfare:0% ; Home improvement:3% ; Emergency: 0%; Retail Finance: 1%	IGL: 96%; Family Welfare:1% ; Home improvement:2%; Emergency: 0%; Retail Finance: 1%	IGL: 95%; Family Welfare:1% ; Home improvement:3% ; Emergency: 0%; Retail Finance: 1%
Gross Disbursement-Microfinance Loans (₹ in million)	Operational	96,410.00	128,330.00	185,390.00	21,460.00	47,710.00
Gross Disbursement Growth-Microfinance Loans (%)	Operational	-7.20%	33.11%	44.46%	NA	122.32%
Number of Branches-Microfinance Loans	Operational	964	1,164	1,786	1,681	1,826
Number of Active Borrowers - Microfinance Loans (millions)	Operational	2.90	2.90	4.30	3.70	4.40
Number of Active Borrowers Growth-Microfinance Loans (%)	Operational	0.00%	0.00%	48.28%	NA	18.92%
Number of Loans Disbursed (millions)	Operational	2.68	3.42	4.88	0.64	1.24
No. of Districts	Operational	247	301	351	312	353
AUM Share in Top 3 states (%)	Operational	80.50%	78.20%	74.30%	77.90%	73.50%
Average Ticket Size-Microfinance Loans (₹)	Operational	35,938	37,576	37,965	33,584	38,414
Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹	Operational	100.01	110.25	103.80	12.77	26.13

in million)						
AUM Per Branch (₹ in million)	Operational	117.65	117.97	117.75	92.89	119.46
Active Borrowers Per Branch	Operational	3,008	2,491	2,408	2,201	2,410
AUM Per Employee (₹ in million)	Operational	10.67	11.49	12.55	9.98	12.54
Gross Disbursements Per Employee (₹ in million)	Operational	9.07	10.74	11.06	1.37	2.74
Capital						
Total Assets (₹ in million)	Financial	150,592.40	174,819.50	218,580.00	165,917.00	227,732.00
Net Worth (₹ in million)	Financial	36,915.50	41,669.10	51,069.70	43,362.00	54,490.00
AUM / Net Worth (times)	Financial	3.07	3.30	4.12	3.60	4.00
Total Borrowings (₹ in million)	Financial	110,242.70	129,206.90	163,122.60	118,800.00	168,181.00
Debt to Equity Ratio (times)	Financial	2.42	2.66	3.19	2.74	3.09
Capital Adequacy Ratio (%)	Financial	31.75%	26.54%	23.60%	24.70%	24.40%
Tier I Capital (%)	Financial	25.50%	25.87%	22.70%	24.00%	23.50%
Tier II Capital (%)	Financial	1.30%	6.70%	0.90%	0.70%	0.90%
Profitability						
Profit After Tax (₹ in million)	Financial	1,340.20	3,530.70	8,260.60	1,385.50	3,484.60
Pre Provision Operating Profit (₹ in million)	Financial	2,511.00	8,176.50	15,064.40	2,897.20	5,437.70
Pre Provision Operating Profit Growth (%)	Financial	2.71%	225.63%	84.24%	NA	87.69%
Basic Earnings Per Equity Share (₹)	Financial	9.52	22.29	52.04	8.74	21.79
Diluted Earnings Per Equity Share (₹)	Financial	9.46	22.20	51.82	8.69	21.67
Net Asset Value Per Equity Share (₹)	Financial	237.27	267.34	321.38	278.08	342.86
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	21.03%	18.58%	19.18%	NA	NA
Average Cost of Borrowings (%)	Financial	8.92%	8.18%	9.05%	2.26%	2.32%
Spread (%)	Financial	12.11%	10.40%	10.13%	NA	NA
Net Interest Margin (%)	Financial	9.74%	9.72%	11.54%	2.68%	3.23%
Operating Expenses / Average AUM (%)	Financial	4.58%	4.56%	4.42%	1.19%	1.13%
Cost to Income Ratio (%)	Financial	41.65%	45.60%	35.57%	39.73%	30.80%

Credit Cost Ratio (%)	Financial	5.54%	3.27%	2.19%	0.59%	0.34%
Return on Average Net Worth (%)	Financial	4.52%	10.09%	18.26%	3.36%	6.60%
Return on Average Total Assets (%)	Financial	1.22%	2.78%	4.51%	0.81%	1.56%
Asset Quality						
Gross NPA Ratio (%)	Financial	4.38%	3.12%	1.21%	5.83%	0.89%
Net NPA Ratio (%)	Financial	1.37%	0.94%	0.42%	3.00%	0.27%
Provision Coverage Ratio (%)	Financial	73.64%	69.28%	64.67%	NA	NA
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of Restructured Portfolio to Gross Loan Portfolio (%)	Financial	0.7%	0.8%	NA	NA	NA
Credit Rating						
Credit Rating	Operational	CRISIL / ICRA / IND RA A+	CRISIL / ICRA / IND RA A+	IND RA / ICRA AA- CRISIL A+	IND RA / ICRA AA- CRISIL A+	IND RA / ICRA AA- CRISIL A+

Source: Data from public filings of Credit Access Grameen Limited, MFIN data, Credit Rating Reports

2. Fusion Micro Finance Limited

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	46,380.00	66,540.00	92,960.00	73,890.23	97,117.50
AUM Growth (%)	Financial	26.83%	43.47%	39.71%	59.55%	31.43%
AUM Mix	Operational	NA	NA	Microfinance Loans: 97% MSME: 3%	NA	Microfinance Loans: 96% MSME: 4%
Gross Disbursement- Microfinance Loans: (₹ I million)	Operational	37,103.00	61,797.80	85,960.00	19,830.37	22,850.00
Gross Disbursement Growth- Microfinance Loans (%)	Operational	2.88%	64.80%	38.25%	NA	15.23%
Number of Branches- Microfinance Loans	Operational	710	900	1,019	928	1,033
Number of Active Borrowers- Microfinance Loans (millions)	Operational	2.10	2.70	3.50	2.90	3.60
Number of Active Borrowers Growth- Microfinance Loans (%)	Operational	23.53%	28.57%	29.63%	NA	24.14%
Number of Loans Disbursed (millions)	Operational	1.15	1.70	2.21	0.54	0.52
No. of Districts	Operational	323	361	385	368	389
AUM Share in Top 3 states (%)	Operational	66% (Top 5)	65% (Top 5)	53.00%	66.1% (Top 5)	69.8% (Top 5)
Average Ticket Size- Microfinance Loans(₹)	Operational	32,113	35,668	37,922	36,365	42,368

Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹ in million)	Operational	52.26	68.66	84.36	21.37	22.12
AUM Per Branch (₹ in million)	Operational	65.32	73.93	91.23	79.62	94.02
Active Borrowers Per Branch	Operational	2,958	3,000	3,435	3,125	3,485
AUM Per Employee (₹ in million)	Operational	7.24	7.63	9.66	7.90	9.35
Gross Disbursements Per Employee (₹ in million)	Operational	5.74	6.95	8.70	2.12	2.20
Capital						
Total Assets (₹ in million)	Financial	58,379.33	72,904.82	93,635.37	76,152.35	99,379.90
Net Worth (₹ in million)	Financial	12,463.55	13,379.51	23,219.19	14,164.65	24,454.40
AUM / Net Worth (times)	Financial	3.72	4.97	4.00	5.22	3.97
Total Borrowings (₹ in million)	Financial	44,322.50	57,758.09	67,783.99	60,099.69	71,880.00
Debt to Equity Ratio (times)	Financial	3.56	4.32	2.92	4.24	2.94
Capital Adequacy Ratio (%)	Financial	27.26%	21.94%	27.94%	21.13%	28.26%
Tier I Capital (%)	Financial	25.74%	19.93%	26.59%	19.45%	
Tier II Capital (%)	Financial	1.98%	2.01%	1.35%	1.68%	28.26%
Profitability						
Profit After Tax (₹ in million)	Financial	439.44	217.55	3,871.52	751.00	1,204.60
Pre Provision Operating Profit (₹ in million)	Financial	2,775.71	3,931.19	7,123.60	1,201.90	2,353.90
Pre Provision Operating Profit Growth (%)	Financial	43.55%	41.63%	81.21%	NA	95.85%
Basic Earnings Per Equity Share (₹)	Financial	5.56	2.67	43.29	9.07	12.00
Diluted Earnings Per Equity Share (₹)	Financial	5.49	2.64	43.13	8.98	11.93
Net Asset Value Per Equity Share (₹)	Financial	150.92	161.67	231.39	171.10	243.01
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	20.47%	19.48%	21.87%	NA	NA
Average Cost of Borrowings (%)	Financial	10.13%	9.72%	10.24%	2.43%	2.63%
Spread (%)	Financial	10.34%	9.76%	11.63%	NA	NA
Net Interest Margin (%)	Financial	8.98%	8.66%	11.50%	2.50%	3.06%
Operating Expenses / Average AUM (%)	Financial	5.35%	5.47%	5.53%	1.37%	1.41%
Cost to Income Ratio (%)	Financial	44.26%	44.26%	38.44%	44.68%	36.26%
Credit Cost Ratio (%)	Financial	4.38%	5.62%	2.41%	0.28%	0.79%
Return on Average Net Worth (%)	Financial	3.60%	1.70%	21.16%	4.80%	5.05%
Return on Average Total	Financial	0.87%	0.33%	4.65%	1.01%	1.25%

Assets (%)						
Asset Quality						
Gross NPA Ratio (%)	Financial	5.50%	5.70%	3.46%	3.67%	3.20%
Net NPA Ratio (%)	Financial	2.20%	1.71%	0.87%	1.35%	2.63%
Provision Coverage Ratio (%)	Financial	60.00%	71.26%	75.50%	NA	NA
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of Restructured Portfolio to Gross Loan Portfolio (%)	Financial	NA	NA	0.20%	NA	NA
Credit Rating						
Credit Rating	Operational	CARE / CRISIL/ ICRA A-	CARE / CRISIL/ ICRA A-	CARE / CRISIL / ICRA A	CARE / CRISIL/ ICRA A-	CARE / CRISIL/ ICRA A-

Source: Data from public filings of Fusion Micro finance Limited, MFIN data, Credit Rating Reports

3. Spandana Sphoorty Financial Limited

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	81,570.00	65,810.65	85,111.00	55,130.00	88,480.00
AUM Growth (%)	Financial	19.45%	-19.32%	29.33%	-25.40%	60.49%
AUM Mix	Operational	NA	NA	NA	NA	NA
Gross Disbursement-Microfinance Loans (₹ in million)	Operational	64,260.00	33,725.75	81,249.00	9,050.00	16,640.00
Gross Disbursement Growth-Microfinance Loans (MFI) (%)	Operational	-19.72%	-47.52%	140.91%	NA	83.87%
Number of Branches-Microfinance Loans	Operational	1,052	1,049	1,153	1,046	1,245
Number of Active Borrowers-Microfinance Loans (millions)	Operational	2.40	2.30	2.10	2.00	24.10
Number of Active Borrowers Growth-Microfinance Loans (%)	Operational	-6.61%	-4.17%	-8.70%	NA	15.00%
Number of Loans Disbursed (millions)	Operational	1.42	0.70	1.65	0.30	0.38
No. of Districts	Operational	282	294	314	294	365
AUM Share in Top 3 states (%)	Operational	47.52%	48.00%	43.30%	42.20%	NA
Average Ticket Size-Microfinance Loans (₹)	Operational	45,318	45,025	46,256	40,458	41,617
Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹ in million)	Operational	61.08	32.15	70.47	8.65	13.37
AUM Per	Operational	77.54	62.74	73.82	52.71	71.07

Branch (₹ in million)						
Active Borrowers Per Branch	Operational	2,281	2,193	1,821	1,912	19,357
AUM Per Employee (₹ in million)	Operational	9.42	7.34	8.25	6.94	8.29
Gross Disbursements Per Employee (₹ in million)	Operational	7.43	3.75	7.88	1.14	1.56
Capital						
Total Assets (₹ in million)	Financial	85,769.29	70,763.37	93,826.01	62,730.00	93,830.00
Net Worth (₹ in million)	Financial	27,490.79	30,875.68	30,990.16	28,175.00	32,280.00
AUM / Net Worth (times)	Financial	2.97	2.13	2.75	1.96	2.74
Total Borrowings (₹ in million)	Financial	53,732.66	37,521.07	60,742.69	32,355.00	63,820.00
Debt to Equity Ratio (times)	Financial	1.91	1.20	1.95	1.15	1.98
Capital Adequacy Ratio (%)	Financial	39.24%	50.74%	36.34%	47.90%	37.60%
Tier I Capital (%)	Financial	39.74%	50.55%	NA	NA	NA
Tier II Capital (%)	Financial	-0.5%	0.2%	NA	NA	NA
Profitability						
Profit After Tax (₹ in million)	Financial	1,454.60	698.27	123.95	-2,197.21	1,194.62
Pre Provision Operating Profit (₹ in million)	Financial	8,455.95	5,774.42	5,621.44	506.41	1,891.24
Pre Provision Operating Profit Growth (%)	Financial	-4.96%	-31.71%	-2.65%	NA	273.46%
Basic Earnings Per Equity Share (₹)	Financial	20.05	7.22	1.74	NM	16.83
Diluted Earnings Per Equity Share (₹)	Financial	19.98	7.20	1.74	NM	16.70
Net Asset Value Per Equity Share (₹)	Financial	427.44	446.86	436.58	397.46	454.65
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	21.82%	19.78%	18.03%	NA	NA
Average Cost of Borrowings (%)	Financial	10.16%	11.64%	9.31%	2.77%	3.20%
Spread (%)	Financial	11.66%	8.14%	8.72%	NA	NA
Net Interest Margin (%)	Financial	9.74%	9.72%	9.48%	9.90%	14.20%
Operating Expenses / Average AUM (%)	Financial	3.16%	4.92%	6.06%	1.84%	1.60%
Cost to Income Ratio (%)	Financial	21.96%	39.55%	45.44%	NA	42.30%
Credit Cost Ratio (%)	Financial	8.96%	6.13%	6.23%	5.27%	0.30%
Return on Average Net Worth (%)	Financial	2.00%	0.89%	0.40%	NM	3.78%
Return on Average Total Assets (%)	Financial	1.80%	0.61%	0.15%	NM	1.27%
Asset Quality						
Gross NPA	Financial	3.10%	17.70%	2.07%	6.69%	1.63%

Ratio (%)						
Net NPA Ratio (%)	Financial	1.40%	9.68%	0.64%	3.24%	0.49%
Provision Coverage Ratio (%)	Financial	46.43%	43.92%	69.06%	NA	70.07%
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of Restructured Portfolio to Gross Loan Portfolio (%)	Financial	NA	NA	NA	NA	NA
Credit Rating						
Credit Rating	Operational	IND RA A / ICRA A-	ICRA A- / CRISIL A	ICRA A- / CRISIL A	ICRA A- / CRISIL A	ICRA A- / CRISIL A

Source: Data from public filings of Spandana Sphoorty Financial Limited, MFIN data, Credit Rating Reports

4. Satin Creditcare Network Limited

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	72,750.00	64,090.00	79,290.00	63,890.00	83,670.00
AUM Growth (%)	Financial	0.76%	-11.90%	23.72%	-0.85%	30.96%
AUM Mix	Operational	Microfinance loans:92.0%; MSME: 5.3%; Housing: 2.7%	Microfinance loans 78.4%; MSME: 6.8%; Housing: 4.2%	Microfinance loans: 87.7%; MSME: 6.8%; Housing: 5.5%	Microfinance loans: 87.7%; MSME: 7.7%; Housing: 6.8%	Microfinance loans: 88.0%; MSME: 6.6%; Housing: 3.5%
Gross Disbursement-Microfinance loans (₹ in million)	Operational	43,940.00	40,310.00	73,900.00	15,540.00	19,800.00
Gross Disbursement Growth-Microfinance loans (%)	Operational	(45.38)%	-8.25%	83.33%	NA	27.41%
Number of Branches-Microfinance loans	Operational	1,011	1,029	1,078	1,031	1,096
Number of Active Borrowers-Microfinance loans (millions)	Operational	2.70	2.50	2.60	2.40	2.80
Number of Active Borrowers Growth-Microfinance loans (%)	Operational	-12.90%	-7.41%	4.00%	NA	16.67%
Number of Loans Disbursed (millions)	Operational	1.33	0.96	1.75	0.38	0.45
No. of Districts	Operational	372	374	384	373	386
AUM Share in Top 3 states (%)	Operational	NA	17.50%	48.10%	53.6% (Top 4)	54% (Top 4)
Average Ticket Size-Microfinance loans (₹)	Operational	33,113	42,113	42,276	41,252	43,789
Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹ in million)	Operational	43.46	39.17	68.55	15.07	18.07
AUM Per Branch (₹ in	Operational	71.96	62.28	73.55	61.97	76.34

million)						
Active Borrowers Per Branch	Operational	2,671	2,430	2,412	2,328	2,555
AUM Per Employee (₹ in million)	Operational	6.86	5.97	8.60	6.73	8.97
Gross Disbursements Per Employee (₹ in million)	Operational	4.14	3.75	8.01	1.64	2.12
Capital						
Total Assets (₹ in million)	Financial	78,745.14	73,754.05	76,453.97	NA	NA
Net Worth (₹ in million)	Financial	14,910.52	16,062.48	19,137.17	NA	NA
AUM / Net Worth (times)	Financial	4.88	3.99	4.14	NA	NA
Total Borrowings (₹ in million)	Financial	60,256.31	54,628.27	54,474.80	NA	NA
Debt to Equity Ratio (times)	Financial	4.04	3.40	2.83	NA	NA
Capital Adequacy Ratio (%)	Financial	25.28%	27.84%	26.60%	22.55%	24.95%
Tier I Capital (%)	Financial	19.73%	23.25%	25.34%	19.31%	NA
Tier II Capital (%)	Financial	6.00%	4.59%	1.28%	3.24%	NA
Profitability						
Profit After Tax (₹ in million)	Financial	-135.55	402.25	2,643.29	601.82	859.13
Pre Provision Operating Profit (₹ in million)	Financial	2,654.50	2,347.85	7,432.96	3,941.93	1,302.07
Pre Provision Operating Profit Growth (%)	Financial	-33.77%	-11.55%	216.59%	NA	-66.97%
Basic Earnings Per Equity Share (₹)	Financial	-2.19	5.76	33.79	8.02	10.00
Diluted Earnings Per Equity Share (₹)	Financial	-2.19	5.29	32.30	7.41	9.69
Net Asset Value Per Equity Share (₹)	Financial	209.18	215.50	225.83	NA	NA
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	21.85%	21.76%	21.10%	NA	NA
Average Cost of Borrowings (%)	Financial	10.80%	10.56%	10.56%	NA	NA
Spread (%)	Financial	11.05%	11.20%	10.54%	NA	NA
Net Interest Margin (%)	Financial	6.64%	7.39%	7.78%	12.13%	10.05%
Operating Expenses / Average AUM (%)	Financial	5.38%	6.15%	6.17%	1.84%	1.49%
Cost to Income Ratio (%)	Financial	59.47%	64.92%	37.30%	22.97%	48.32%
Credit Cost Ratio (%)	Financial	3.66%	2.30%	5.36%	2.72%	3.66%
Return on Average Net Worth (%)	Financial	-0.92%	2.60%	15.02%	NA	NA
Return on Average Total Assets (%)	Financial	-18.00%	0.53%	3.52%	NA	NA
Asset Quality						
Gross NPA Ratio (%)	Financial	8.40%	8.01%	3.28%	4.38%	2.49%

Net NPA Ratio (%)	Financial	4.75%	2.47%	1.50%	2.25%	1.14%
Provision Coverage Ratio (%)	Financial	41.45%	64.99%	52.27%	NA	NA
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of Restructured Portfolio to Gross Loan Portfolio (%)	Financial	NA	NA	NA	NA	NA
Credit Rating						
Credit Rating	Operational	ICRA / CARE A-	ICRA / CARE A-	ICRA A-, CARE BBB+	ICRA A-, CARE BBB+	ICRA A-, CARE BBB+

Source: Data from public filings of Satin Creditcare Network Limited, MFIN data, Credit Rating Reports

5. Bandhan Bank

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	870,430.00	993,380.00	1,091,200.00	966,500.00	1,031,700.00
AUM Growth (%)	Financial	21.15%	14.13%	9.85%	20.27%	6.75%
AUM Mix	Operational	Microfinance loans: 59%; Commercial banking:16% Housing: 23% ; Retail Assets: 2%	Microfinance loans: 47%; Commercial banking:27% Housing:24% ; Retail Assets: 2%	Microfinance loans: 35%; Commercial banking:35% Housing:25% ; Retail Assets: 5%	Microfinance loans: 25%; Commercial banking:13% Housing:25% ; Retail Assets: 2%	Microfinance loans:50%; Commercial banking: 3% Housing:26% ; Retail Assets: 2%
Gross Disbursement-Microfinance loans (₹ in million)	Operational	NA	NA	NA	82,200.00	80,200.00
Gross Disbursement Growth-Microfinance loans (%)	Operational	NA	NA	NA	NA	NA
Number of Branches-Microfinance loans	Operational	5,310	5,639	5,999	5,640	6,140
Number of Active Borrowers-Microfinance loans (millions)	Operational	23.00	26.30	30.00	NA	NA
Number of Active Borrowers Growth-Microfinance loans (%)	Operational	14.43%	14.35%	14.07%	NA	NA
Number of Loans Disbursed (millions)	Operational	NA	NA	NA	NA	NA
No. of Districts	Operational	548	548	587	566	600
AUM Share in Top 3 states (%)	Operational	NA	NA	NA	NA	NA
Average Ticket Size-Microfinance loans (₹)	Operational	NA	NA	NA	NA	NA
Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹ in million)	Operational	NA	NA	NA	14.57	13.06

AUM Per Branch (₹ in million)	Operational	163.92	176.16	181.90	171.37	168.03
Active Borrowers Per Branch	Operational	4,331	4,664	5,001	NA	NA
AUM Per Employee (₹ in million)	Operational	17.60	16.50	15.66	15.78	14.31
Gross Disbursements Per Employee (₹ in million)	Operational	NA	NA	NA	NA	NA
Capital						
Total Assets (₹ in million)	Financial	1,149,930.54	1,388,665.45	1,557,700.00	1,412,350.00	1,507,860.00
Net Worth (₹ in million)	Financial	174,081.84	173,811.51	195,841.53	182,700.00	203,080.00
AUM / Net Worth (times)	Financial	5.00	5.72	5.57	5.29	5.08
Total Borrowings (₹ in million)	Financial	949,325.82	1,162,518.41	1,327,801.35	1,176,010.00	1,273,710.00
Debt to Equity Ratio (times)	Financial	5.45	6.69	6.78	6.44	6.27
Capital Adequacy Ratio (%)	Financial	23.47%	20.10%	19.76%	19.40%	19.80%
Tier I Capital (%)	Financial	22.50%	18.90%	18.70%	18.30%	18.80%
Tier II Capital (%)	Financial	0.97%	1.20%	1.06%	1.10%	1.00%
Profitability						
Profit After Tax (₹ in million)	Financial	22,054.59	1,257.93	21,946.38	8,865.04	7,210.54
Pre Provision Operating Profit (₹ in million)	Financial	68,552.59	80,134.03	70,913.50	18,206.35	15,622.99
Pre Provision Operating Profit Growth (%)	Financial	25.88%	16.89%	-11.51%	NA	-14.19%
Basic Earnings Per Equity Share (₹)	Financial	13.70	0.78	13.62	4.48	5.50
Diluted Earnings Per Equity Share (₹)	Financial	13.69	0.78	13.62	4.48	5.50
Net Asset Value Per Equity Share (₹)	Financial	108.09	107.91	121.58	113.42	126.07
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	14.69%	13.88%	13.86%	4.39%	4.46%
Average Cost of Borrowings (%)	Financial	5.89%	4.88%	8.72%	1.56%	1.32%
Spread (%)	Financial	8.80%	9.00%	5.14%	2.83%	3.14%
Net Interest Margin (%)	Financial	7.32%	6.86%	6.29%	1.62%	1.80%
Operating Expenses / Average AUM (%)	Financial	3.55%	3.78%	4.45%	1.04%	1.24%
Cost to Income Ratio (%)	Financial	29.39%	30.54%	39.54%	35.99%	45.67%
Credit Cost Ratio (%)	Financial	3.70%	6.21%	3.32%	0.46%	0.41%
Return on Average Net Worth (%)	Financial	13.53%	0.72%	11.87%	4.97%	3.62%
Return on Average Total Assets (%)	Financial	2.13%	0.10%	1.49%	0.63%	0.47%
Asset Quality						

Gross NPA Ratio (%)	Financial	6.81%	6.46%	6.46%	7.30%	6.80%
Net NPA Ratio (%)	Financial	3.51%	1.66%	1.66%	1.90%	2.20%
Provision Coverage Ratio (%)	Financial	NA	NA	NA	NA	NA
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of Restructured Portfolio to Gross Loan Portfolio (%)	Financial	NA	NA	NA	NA	NA
Credit Rating						
Credit Rating	Operational	CRISIL / ICRA AA	CRISIL / ICRA AA	CRISIL / ICRA AA	CRISIL / ICRA AA	CRISIL / ICRA AA

Source: Data from public filings of Bandhan Bank, MFIN data, Credit Rating Reports

6. Ujjivan Small Finance Bank

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	151,400.00	181,620.00	240,850.00	194,090.00	253,260.00
AUM Growth (%)	Financial	6.97%	19.96%	32.61%	NA	30.49%
AUM Mix	Operational	MFI:59% ; Individual loans:11% ; MSME:8% ; Affordable Housing:14% ; FIG : 4%; Others: 3%	MFI:57% ; Individual loans:11% ; MSME:9% ; Affordable Housing:15% ; FIG : 5%; Others: 3%	MFI:59% ; Individual loans:13% ; MSME:7% ; Affordable Housing:14% ; FIG : 5%; Others: 2%	MFI:58% ; Individual loans:11% ; MSME:9% ; Affordable Housing:15% ; FIG : 4%; Others: 3%	MFI:59% ; Individual loans:14% ; MSME:6% ; Affordable Housing:14% ; FIG : 5%; Others: 2%
Gross Disbursement (MFI) (₹ in million)	Operational	83,970.00	141,120.00	200,370.00	43,270.00	52,840.00
Gross Disbursement Growth (MFI) (%)	Operational	-36.49%	68.06%	41.99%	NA	22.12%
Number of Branches (MFI)	Operational	575	575	629	575	661
Number of Active Borrowers (MFI) (millions)	Operational	4.93	6.48	7.69	6.60	7.55
Number of Active Borrowers Growth (%) (MFI)	Operational	-9.38%	31.44%	18.67%	NA	NA
Number of Loans Disbursed (millions)	Operational	NA	NA	NA	NA	NA
No. of Districts	Operational	248	248	271	NA	285
AUM Share in Top 3 states (%)	Operational	NA	NA	41.10%	NA	NA
Average Ticket Size (MFI) (₹)	Operational	NA	NA	NA	NA	NA
Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹ in million)	Operational	146.03	245.43	318.55	75.25	79.94
AUM Per Branch (₹ in million)	Operational	263.30	315.86	382.91	337.55	383.15
Active Borrowers Per Branch	Operational	8,574	11,270	12,226	11,478	11,422
AUM Per	Operational	9.14	10.75	13.48	11.65	13.13

Employee (₹ in million)						
Gross Disbursements Per Employee (₹ in million)	Operational	5.07	8.35	11.21	2.60	2.74
Capital						
Total Assets (₹ in million)	Financial	203,804.50	236,044.60	333,168.78	242,350.00	347,500.00
Net Worth (₹ in million)	Financial	32,187.52	28,026.34	42,091.07	30,070.00	45,390.00
AUM / Net Worth (times)	Financial	4.70	6.48	5.72	6.45	5.58
Total Borrowings (₹ in million)	Financial	165,830.90	202,557.80	281,791.46	203,920.00	291,960.00
Debt to Equity Ratio (times)	Financial	5.15	7.23	6.69	6.78	6.43
Capital Adequacy Ratio (%)	Financial	26.44%	18.99%	25.81%	20.03%	26.69%
Tier I Capital (%)	Financial	25.07%	17.70%	22.69%	18.70%	23.62%
Tier II Capital (%)	Financial	1.37%	1.29%	3.12%	1.33%	3.07%
Profitability						
Profit After Tax (₹ in million)	Financial	83.00	-4,145.80	10,999.20	2,029.40	3,240.70
Pre Provision Operating Profit (₹ in million)	Financial	8,093.00	5,904.90	14,850.40	3,005.60	4,578.90
Pre Provision Operating Profit Growth (%)	Financial	27.00%	-27.04%	151.49%	NA	52.35%
Basic Earnings Per Equity Share (₹)	Financial	0.05	-2.40	5.82	1.66	1.17
Diluted Earnings Per Equity Share (₹)	Financial	0.05	-2.40	5.81	1.65	1.17
Net Asset Value Per Equity Share (₹)	Financial	NA	NA	NA	NA	NA
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	18.22%	16.73%	18%	3.78%	3.78%
Average Cost of Borrowings (%)	Financial	6.93%	5.70%	6.08%	1.50%	1.72%
Spread (%)	Financial	11.29%	11.03%	11.61%	2.28%	2.06%
Net Interest Margin (%)	Financial	8.91%	8.07%	9.48%	2.51%	2.33%
Operating Expenses / Average AUM (%)	Financial	8.40%	8.99%	8.53%	2.26%	2.07%
Cost to Income Ratio (%)	Financial	60.58%	71.68%	54.82%	58.50%	52.79%
Credit Cost Ratio (%)	Financial	4.08%	5.19%	1.35%	0.12%	0.08%
Return on Average Net Worth (%)	Financial	0.26%	-13.97%	31.80%	5.84%	7.44%
Return on Average Total Assets (%)	Financial	0.04%	-1.89%	3.86%	0.85%	0.95%
Asset Quality						
Gross NPA Ratio (%)	Financial	7.10%	7.10%	2.88%	5.90%	2.40%
Net NPA Ratio (%)	Financial	2.90%	0.60%	0.04%	0.10%	0.06%
Provision Coverage Ratio (%)	Financial	NA	NA	NA	NA	NA
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of	Financial	NA	NA	NA	NA	NA

Restructured Portfolio to Gross Loan Portfolio (%)						
Credit Rating						
Credit Rating	Operational	CARE A+	CARE / CRISIL A+	CARE / CRISIL A+	CRISIL A+	CRISIL A+

Source: Data from public filings of Ujjivan Small Finance Bank Limited, MFIN data, Credit Rating Reports

7. Utkarsh Small Finance Bank

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	84,156.60	106,307.25	139,571.08	NA	143,940.00
AUM Growth (%)	Financial	26.35%	26.32%	31.29%	NA	NA
AUM Mix	Operational	Microfinance loans: 81.98%, Housing Loans: 2.61%, Retail Assets:6.31% ; Wholesale Lending:5.98% ; Business Correspondent:2.32% ; CV & CE:0.15% Others: 0.65%	Microfinance loans: 76%, Housing Loans: 3.38%, Retail Assets:7.90% ; Wholesale Lending: 8.71%; Business Correspondent:2.11% ; CV & CE: 2.00% Others: 0.62%	Microfinance loans: 66%, Vehicle: 4%, Mortgage: 4%, MSME: 11%, Large and Mid corporate: 11% Others: 4%	NA	NA
Gross Disbursement-Microfinance loans (₹ in million)	Operational	48,161.21	72,739.52	92,562.29	NA	18,970.00
Gross Disbursement Growth-Microfinance loans (%)	Operational	NA	52.96%	37.55%	NA	NA
Number of Branches-Microfinance loans	Operational	558	686	830	NA	851
Number of Active Borrowers-Microfinance loans (millions)	Operational	NA	3.00	NA	NA	NA
Number of Active Borrowers Growth (%) (MFI)	Operational	NA	NA	NA	NA	NA
Number of Loans Disbursed (millions)	Operational	NA	NA	NA	NA	NA
No. of Districts	Operational	188	224	253	NA	NA
AUM Share in Top 3 states (%)	Operational	NA	NA	69.00%	NA	NA
Average Ticket Size-Microfinance loans(₹)	Operational	NA	NA	NA	NA	NA
Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹ in million)	Operational	86.31	106.03	111.52	NA	22.29
AUM Per Branch (₹ in	Operational	150.82	154.97	168.16	NA	169.14

million)						
Active Borrowers Per Branch	Operational	NA	4,373	NA	NA	NA
AUM Per Employee (₹ in million)	Operational	8.12	8.43	9.05	NA	9.05
Gross Disbursements Per Employee (₹ in million)	Operational	5.71	7.17	8.07	NA	NA
Capital						
Total Assets (₹ in million)	Financial	121,379.12	150,637.70	191,175.42	152,020.00	193,960.00
Net Worth (₹ in million)	Financial	13,683.53	15,722.97	20,003.21	16,680.00	21,100.00
AUM / Net Worth (times)	Financial	6.15	6.76	6.98	NA	6.82
Total Borrowings (₹ in million)	Financial	101,153.93	126,461.18	160,596.15	126,850.00	162,120.00
Debt to Equity Ratio (times)	Financial	7.39	8.04	8.03	7.60	7.68
Capital Adequacy Ratio (%)	Financial	21.88%	21.59%	20.64%	21.87%	19.83%
Tier I Capital (%)	Financial	19.98%	18.08%	18.25%	18.84%	17.94%
Tier II Capital (%)	Financial	1.90%	3.51%	2.39%	3.03%	1.89%
Profitability						
Profit After Tax (₹ in million)	Financial	1,118.15	614.61	4,045.02	894.91	1,074.95
Pre Provision Operating Profit (₹ in million)	Financial	4,190.38	5,093.38	8,383.24	2,133.36	2,212.20
Pre Provision Operating Profit Growth (%)	Financial	19.62%	21.55%	64.59%	NA	3.70%
Basic Earnings Per Equity Share (₹)	Financial	1.46	0.70	4.52	1.00	1.20
Diluted Earnings Per Equity Share (₹)	Financial	1.46	0.70	4.51	1.00	1.20
Net Asset Value Per Equity Share (₹)	Financial	16.13	17.56	22.33	NA	NA
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	19.12%	18%	19.56%	3.77%	3.74%
Average Cost of Borrowings (%)	Financial	8.23%	6.92%	6.80%	1.75%	1.85%
Spread (%)	Financial	10.89%	10.93%	12.76%	2.02%	1.89%
Net Interest Margin (%)	Financial	7.79%	7.80%	8.95%	2.31%	2.19%
Operating Expenses / Average AUM (%)	Financial	7.23%	7.73%	8.05%	2.07%	2.06%
Cost to Income Ratio (%)	Financial	56.54%	59.11%	54.15%	50.81%	56.96%
Credit Cost Ratio (%)	Financial	2.33%	3.15%	2.54%	0.60%	0.40%
Return on Average Net Worth (%)	Financial	9.37%	4.18%	22.64%	4.95%	5.11%

Return on Average Total Assets (%)	Financial	1.04%	0.45%	2.37%	0.59%	0.56%
Asset Quality						
Gross NPA Ratio (%)	Financial	3.75%	6.10%	3.23%	5.70%	3.10%
Net NPA Ratio (%)	Financial	1.33%	2.31%	0.39%	1.70%	0.30%
Provision Coverage Ratio (%)	Financial	NA	NA	NA	NA	NA
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of Restructured Portfolio to Gross Loan Portfolio (%)	Financial	NA	NA	NA	NA	NA
Credit Rating						
Credit Rating	Operational	ICRA / CARE A	ICRA / CARE A	CARE A / ICRA A	ICRA / CARE A	CARE A / ICRA A+

Source: Data from public filings of Utkarsh Small Finance Bank Limited, MFIN data, Credit Rating Reports

8. Suryoday Small Finance Bank

Particulars	Type	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at June 30, 2022	As at June 30, 2023
Scale and Operations						
AUM (₹ in million)	Financial	42,060.00	50,630.00	60,150.00	51,320.00	63,720.00
AUM Growth (%)	Financial	13.34%	20.38%	18.80%	28.17%	24.16%
AUM Mix	Operational	NA	NA	Inclusive Finance: 61.1%; Housing:10.9%; Small Business Loan: 6.0%; CV: 6.2%; FIG:11.0% ; Partnerships:1.8% ; Others:3.6%	Inclusive Finance: 65.9%; Housing:9.1%; Small Business Loan: 5.0%; CV: 6.5%; FIG:8.9% ; Partnerships:1.6% ; Others:3.0%	Inclusive Finance: 59.8%; Housing:10.8%; Small Business Loan: 7.4%; CV:6.6% ; FIG:11.6% ; Partnerships:2.1% ; Others:1.6%
Gross Disbursement-Microfinance loans (₹ in million)	Operational	22,170.00	35,270.00	50,830.00	10,120.00	11,900.00
Gross Disbursement Growth-Microfinance loans (%)	Operational	-28.25%	59.09%	44.12%	180.33%	17.59%
Number of Branches-Microfinance loans	Operational	556	565	577	564	609
Number of Active Borrowers-Microfinance loans (millions)	Operational	1.49	1.92	2.31	NA	2.43
Number of Active Borrowers Growth-Microfinance loans (%)	Operational	2.05%	28.86%	20.31%	NA	NA
Number of Loans Disbursed (millions)	Operational	NA	NA	NA	NA	NA
No. of Districts	Operational	NA	NA	NA	NA	NA
AUM Share in Top 3 states (%)	Operational	43.50%	42.30%	NA	NA	NA
Average Ticket Size-	Operational	NA	NA	NA	NA	NA

Microfinance loans (₹)						
Repeat / Unique Loan Accounts	Operational	NA	NA	NA	NA	NA
Gross Disbursement Per Branch (₹ in million)	Operational	39.87	62.42	88.09	17.94	19.54
AUM Per Branch (₹ in million)	Operational	75.65	89.61	104.25	90.99	104.63
Active Borrowers Per Branch	Operational	2,680	3,398	4,003	NA	3,990
AUM Per Employee (₹ in million)	Operational	8.20	9.64	9.98	NA	9.98
Gross Disbursements Per Employee (₹ in million)	Operational	4.32	6.72	8.44	NA	1.86
Capital						
Total Assets (₹ in million)	Financial	67,119.85	81,801.90	98,612.21	85,297.00	102,078.00
Net Worth (₹ in million)	Financial	15,968.97	15,051.18	15,847.30	15,138.70	16,330.00
AUM / Net Worth (times)	Financial	2.63	3.36	3.80	3.39	3.90
Total Borrowings (₹ in million)	Financial	49,222.96	64,011.40	85,321.30	67,030.60	82,760.80
Debt to Equity Ratio (times)	Financial	3.08	4.25	5.38	4.43	5.07
Capital Adequacy Ratio (%)	Financial	51.47%	37.90%	33.72%	36.40%	32.70%
Tier I Capital (%)	Financial	47.23%	34.40%	30.84%	33.50%	30.20%
Tier II Capital (%)	Financial	4.24%	3.50%	2.88%	2.90%	2.50%
Profitability						
Profit After Tax (₹ in million)	Financial	118.55	-930.30	776.00	76.90	476.00
Pre Provision Operating Profit (₹ in million)	Financial	1,813.37	2,649.10	3,373.60	794.20	1,170.70
Pre Provision Operating Profit Growth (%)	Financial	(40.71%)	46.09%	27.35%	NA	47.41%
Basic Earnings Per Equity Share (₹)	Financial	1.32	-8.76	7.32	0.73	4.48
Diluted Earnings Per Equity Share (₹)	Financial	1.31	-8.76	7.32	0.73	4.48
Net Asset Value Per Equity Share (₹)	Financial	150.46	141.78	149.28	142.60	153.83
Key Financial Ratios						
Yield on Average Gross Loan Portfolio (%)	Financial	17.73%	18.72%	19.04%	3.37%	3.57%
Average Cost of Borrowings (%)	Financial	8.09%	6.31%	6.10%	1.59%	1.59%
Spread (%)	Financial	9.64%	12.41%	12.94%	1.78%	1.98%
Net Interest Margin (%)	Financial	6.80%	7.85%	8.28%	2.12%	2.24%
Operating Expenses / Average AUM (%)	Financial	8.30%	8.91%	9.06%	2.17%	2.54%
Cost to Income Ratio (%)	Financial	67.50%	60.93%	60.01%	58.30%	57.50%
Credit Cost	Financial	2.42%	5.26%	2.62%	0.83%	0.53%

Ratio (%)						
Return on Average Net Worth (%)	Financial	0.89%	-6.00%	5.03%	0.50%	2.82%
Return on Average Total Assets (%)	Financial	0.20%	-1.25%	0.86%	0.09%	0.47%
Asset Quality						
Gross NPA Ratio (%)	Financial	9.40%	11.80%	3.10%	10.00%	3.00%
Net NPA Ratio (%)	Financial	4.70%	5.90%	1.50%	5.00%	1.60%
Provision Coverage Ratio (%)	Financial	NA	NA	NA	NA	NA
Collection Efficiency (%)	Operational	NA	NA	NA	NA	NA
Ratio of Restructured Portfolio to Gross Loan Portfolio (%)	Financial	NA	NA	NA	NA	NA
Credit Rating						
Credit Rating	Operational	ICRA A	ICRA A	ICRA A	ICRA A	ICRA A

Source: Data from public filings of Suryoday Small Finance Bank, MFIN data, Credit Rating Reports
Notes:

(i) *For NBFC-MFI peers, gross disbursements, gross disbursement growth, number of active borrowers, number of active borrowers growth, number of branches and average ticket size represents overall company level data as reported in MFIN*

(ii) *For NBFC-MFI peers, number of active borrowers represents number of clients, for banks and SFBs, clients include total number of customers*

L. Price per share of the Company (as adjusted for corporate actions, including bonus issuance) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOS 2019 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 in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Date of Allotment	Nature of allotment	Number of Equity Shares allotted	Adjusted Number of Equity Shares#	Transaction as a % of fully diluted capital of the Company*	Price per Equity Share (in ₹)	Adjusted Price per Equity Share#	Total Consideration (₹ in million)
September 29, 2022	Right Issue	9,328,358	2,79,85,074	17.50%	268.00	89.33	2,500.00
June 30, 2023	Right Issue	4,120,879	1,23,62,637	6.58%	364.00	121.33	1,500.00
Weighted average cost of acquisition (WACA)							99.14

**As certified by M. P. Chitale & Co., Chartered Accountants, by way of their certificate dated October 4, 2023*
#The Company made an allotment of bonus shares in the ratio of two Equity Shares for every one Equity Share, pursuant to shareholders' resolution dated August 18, 2023 and the effect of the same has been given.

M. Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoter, members of the Promoter Group during the 18 months preceding the date of filing of the DRHP/ RHP, 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-Issue 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")

Nil

N. 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 Promoter or the Promoter Group in the last 18 months preceding the date of this Draft Red Herring Prospectus are disclosed below:

Past Transactions	Weighted average cost of acquisition (in ₹)#	Floor Price (in ₹)*	Cap Price (in ₹)*
WACA of Equity Shares that were issued by our Company	99.14	Not Applicable at this stage	

Past Transactions	Weighted average cost of acquisition (in ₹)#	Floor Price (in ₹)*	Cap Price (in ₹)*
WACA of Equity Shares that were acquired or sold by way of secondary transactions	Not Applicable	Not Applicable at this stage	

***** *To be updated at Prospectus stage*
#As certified by M. P. Chitale & Co., Chartered Accountants, by way of their certificate dated October 4, 2023

O. Justification for Basis of Issue price

1. **The following provides an explanation to the 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 Promoter or the Promoter Group by way of primary and secondary transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Financial Years ended March 31, 2023, 2022 and 2021**

   [●]*
   **To be updated upon finalization of Price Band*

2. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoter or the Promoter Group 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**

   [●]*
   **To be updated upon finalization of Price Band*

P. The Issue Price is [●] times of the face value of the Equity Shares

The Issue Price of ₹[●] has been determined by our Company in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 187, 301 and 381 respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Asirvad Micro Finance Limited
9th and 10th Floor, 9, Club house road,
Annasalai, Royapettah,
Chennai – 600 002
Tamil Nadu, India

Ladies and Gentlemen,

Re: Proposed initial public offer of Asirvad Micro Finance Limited (the "Company", and such offering, the "Issue")

1. We, M.P. Chitale & Co., Chartered Accountants, statutory auditors of the Company, hereby confirm that the 'Statement of Special Tax Benefits', enclosed herewith as **Annexure A**, prepared by the Company and initialled by us and the Company (the "**Statement**"), provides the special tax benefits (under direct and indirect tax laws) available to the Company and to its shareholders pursuant to (i) the Income-tax Act, 1961, as amended and read with the rules, circulars and notifications issued in relation thereto ("**Income-tax Regulations**"); and (ii) 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, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as **"Indirect tax Laws"**), as amended and read with the rules, circulars and notifications issued in connection thereto. Several of such possible special tax benefits forming part of the Statement are dependent on the Company and/or its shareholders fulfilling applicable conditions prescribed within the relevant statutory provisions and accordingly, the ability of the Company and/or its shareholders to derive such possible special tax benefits is entirely dependent upon the lawful fulfilment of such conditions by the Company and/or its shareholders, as applicable.

2. The special tax benefits discussed within the Statement are not exhaustive and are intended to provide an illustrative understanding to prospective investors with respect to the special tax benefits available to the Company and/or its shareholders 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 changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the draft red herring prospectus is the responsibility of the management of the Company.

4. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors Responsibility

5. We conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ("**Guidance Note**") issued by the Institute of Chartered Accountants of India ("**ICAI**"), as revised from time to time. The Guidance Note requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time. Further, we have 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, as revised from time to time.

6. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "**SEBI ICDR Regulations**") and the Companies Act, 2013 ("**Act**") it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the tax benefits available as of June 30, 2023, to the Company and the shareholders of the Company, in accordance with the Income-tax Regulations and Indirect Tax Laws as at the date of our report.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Issue.

Inherent Limitation

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

   (i) Company and/or its shareholders will continue to obtain such special tax benefits in the future; or
   (ii) conditions prescribed for availing such special tax benefits where applicable, have been/would be complied with.
   (iii) the revenue authorities / courts will concur with the views expressed herein.

9. The contents of the Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

10. Our views expressed herein are based on the facts and assumptions indicated to us. 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 the tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

11. The enclosed statement is intended solely for your information and for inclusion in the Draft Red Herring Prospectus and any other material in connection with the Issue and is not used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For M.P. Chitale & Co.,
Chartered Accountants
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership No. 143700
UDIN: 23143700BGXAYI9445

Date: October 4, 2023
Place: Pune

ANNEXURE A

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

The Company has been registered as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India. The Company is primarily engaged in providing services of microfinance, providing gold loan and lending to Micro Small and Medium Enterprises ('MSMEs'). The information provided below sets out the special direct and indirect tax benefits in the hands of the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current Income-tax Act, 1961 ("**IT Act**"), 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 ("**GST Act**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") (collectively the "**Taxation Laws**") presently in force in India.

Several of these special tax benefits are dependent on the fulfilling the conditions prescribed under the relevant Taxation Laws. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives any of them face, they may or may not choose to fulfill. Further, certain special tax benefits may be optional, and it would be at the discretion of the Company or its shareholders to exercise the option by fulfilling the conditions prescribed under the relevant Taxation Laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares 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 special tax benefits, which an investor can avail. The statement below covers only relevant Taxation Laws benefits and does not cover any benefit under any other law.

Special tax benefits under the IT Act in the hands of the Company and its Shareholders:

The provision of the law stated below is as per the IT Act, as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25.

Special tax benefits available to Company under IT Act

a) Lower corporate tax rate under Section 115BAA:

A new Section 115BAA has been inserted in the IT Act by the Taxation Laws (Amendment) Act, 2019 (the "**Amendment Act, 2019**") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for Section 115BAA of the IT Act, it can pay corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the IT Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax ("**MAT**") on their 'book profits' under Section 115JB of the IT Act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the IT Act and will also need to comply with the other conditions specified in Section 115BAA of the IT Act. Also, if a company opts for Section 115BAA of the IT Act, the tax credit (under Section 115JAA of the IT Act), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The tax expenses are recognized in the Statement of Profit and Loss of the Company as of and the three months ended June 30, 2023 by applying the tax rate as prescribed in Section 115BAA of the IT Act.

b) Deductions from Gross Total Income - Section 80JJAA of the IT Act - Deduction in respect of employment of new employees:

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the IT 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.

c) 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 IT Act:

The Company 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 IT 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 total income (computed before making any deduction under this section and Chapter VI-A), subject to certain conditions, while computing its income under the head "Profits and gains of business or profession".

As per first *proviso* to Section 36(1)(vii) of the IT Act, where the Company has claimed deduction under Section 36(1) (viia) of the IT Act, then subsequent claim of deduction of actual bad debts under Section 36(1)(vii) of the IT Act would be reduced to the extent of deduction already claimed under Section 36(1) (viia) of the IT Act.

It must be noted that as per CBDT instruction 17-2008 dated November 26, 2008 amount of deduction claimed by assessee in respect of bad debts under Section 36(1)(vii) of the IT Act is required to be reduced by opening balance of provision for bad and doubtful debts created under Section 36(1) (viia) of the IT Act.

As per Section 41(4) of the IT Act, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1)(vii) of the IT Act, then any amount subsequently recovered on any such debt is greater than the difference between such debt and the amount so allowed as a deduction under Section 36(1)(vii) of the IT Act, the excess shall be deemed to be business income of the year in which it is recovered.

As per Section 43D(a) of the IT Act, interest income in relation to certain categories of bad or doubtful debts, shall be chargeable to tax in the previous year in which it is credited to its profit and loss account for that year or actually received, whichever is earlier. This provision is an exception to the accrual system of accounting which is regularly followed by such assessee for computation of total income. The Company, being a systemically important non-deposit taking non-banking financial company as per the provisions of Section 36(1) (viia) of the IT Act can claim benefit of this section by virtue of explanation (h) to Section 43D of the IT Act.

Rule 6EA of the Income-tax Rules, 1962 specifies certain categories of bad and doubtful debts as covered under Section 43D(a) of the IT Act, the relevant extracts of which are as follows:

"*(e)Debts recoverability whereof has become doubtful on account of shortfalls in value of security, difficulty in enforcing and realising the securities, or inability or unwillingness of the borrower to repay the banks dues, partly or wholly, and such debts have not been included in preceding clauses (a) to (d)*"

Special tax benefits available to the shareholders under IT Act:

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

STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND SHAREHOLDERS OF THE COMPANY:

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, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "**Indirect tax**")

Special Indirect Tax Benefits available to the Company

The main source of income for the Company is interest on loans, which is exempt from levy of GST as per the relevant exemption notifications issued under Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017.

Apart from the above, there is no special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

Special Indirect Tax Benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company under the GST Act.

Notes:
This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

Yours faithfully,

For & on behalf of
Asirvad Micro Finance Ltd

Rajesh K R N Namboodiripad
Chief Financial Officer

For M.P. Chitale & Co.,
Chartered Accountants
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale

Partner

ICAI Membership No. 143700
UDIN: 23143700BGXAYI9445

Date: October 4, 2023
Place: Pune

Date: October 4, 2023
Place: Pune

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry" dated September, 2023 ("**CRISIL Report**") prepared and released by CRISIL and exclusively commissioned by and paid for by us pursuant to the appointment of CRISIL vide letter dated July 6, 2023, in connection with the Issue. The data included herein includes excerpts from the CRISIL Report, which is available on the website of the Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry_Report.pdf from the date of this Draft Red Herring Prospectus till the Bid/Issue Closing Date, and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 487. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL exclusively commissioned and paid for by us for such purpose." on page 45. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 15.*

Forecasts, estimates, predictions and any other forward- looking statements contained in the CRISIL Report are inherently uncertain because of changes in factors underlying their assumptions, or events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions or such statements. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. 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. The recipient should not construe any of the contents in this 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. While preparing its report, CRISIL has also sourced information from publicly available sources, including our Company's financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.

Overview of Indian economy

India among fastest-growing economies despite elevated geopolitical tensions and geoeconomic fragmentation

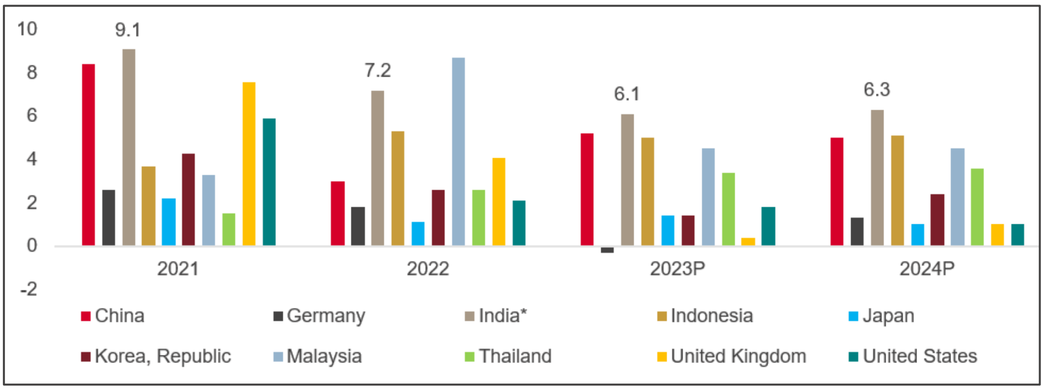
The Indian economy was among the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading up to the global health crisis, the country's economic indicators posted gradual improvements. The twin deficits, namely current account and fiscal deficits, narrowed, while the growth-inflation mix showed a positive and sustainable trend. Despite the ongoing Russia-Ukraine war, India continues to maintain its position as one of the fastest-growing economies globally. This can be attributed to various factors such as demographic advantage, robust domestic demand, economic reforms, manufacturing and infrastructure development, technological advancements, and digital push.

In fact, the IMF, in its July 2023 economic outlook update, revised its India economic growth forecast in real terms for Fiscal 2024 to 6.1% from previous 5.9% estimate in April 2023, citing momentum from stronger-than-expected growth in the fourth quarter of Fiscal 2023 as a result of stronger domestic investment.

In contrast, global economic growth is projected to decelerate from an estimated 3.5% in 2022 to 3.0% in 2023, with the growth rate sustaining in 2024, according to the IMF. While the forecast for 2023 is slightly higher by 0.2% than the earlier estimate, it remains weaker than the historical average. In addition, world trade growth is expected to slow to 2.0% in 2023 from 5.2% in 2022, before rising to 3.7% in 2024, which is still well below the 2000 to 2019 average growth of 4.9%.

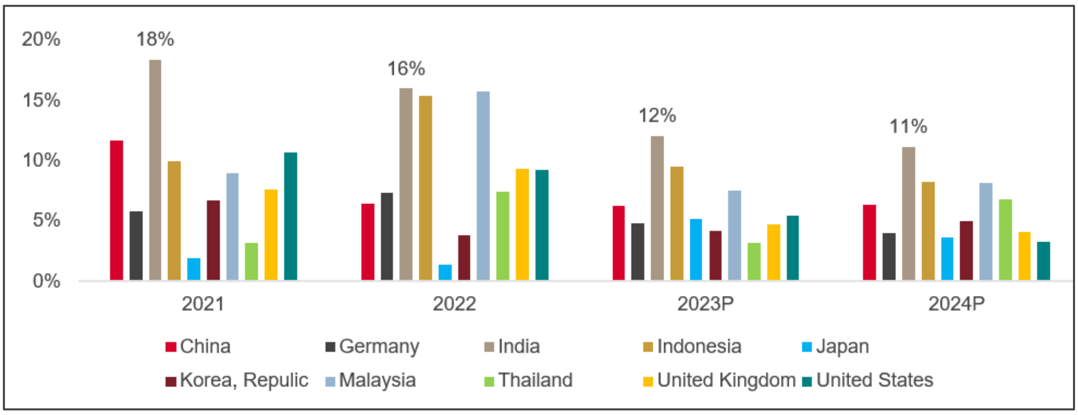
A large part of the lower growth stems from risk that the global economy could fragment into blocs amid the Russia-Ukraine war and other intensifying geopolitical issues, which could increase restrictions on trade, cross-border movement of capital, technology and workers, and international payments. India's nominal GDP growth has exhibited a remarkable trend of consistently surpassing that of numerous other countries, highlighting its strong economic momentum.

Year-on-year real GDP change in %



P: Projected
** For India, 2021 and 2022 forecasts are of fiscal years, i.e. 2021 = Fiscal 2022; 2022 = Fiscal 2023*
Notes: (1) All forecasts are IMF forecasts; (2) India's growth projections are 6.6% in 2023 and 5.8% in 2024, based on calendar year basis.
Source: International Monetary Fund (IMF) World Economic Outlook Update, July 2023

Year-on-year nominal GDP change in %



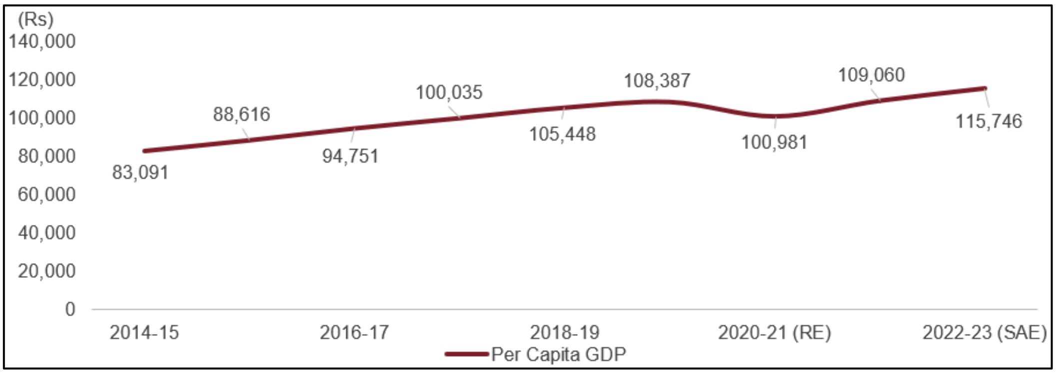
P: Projected
Notes: (1) All forecasts are IMF forecasts; (2) The data is based on current prices in national currency for each country.
Source: International Monetary Fund (IMF) World Economic Outlook, April 2023

Per capita GDP increasing

India's per capita GDP recorded a 5.46% CAGR over Fiscal 2015 to Fiscal 2020 on real basis, rising from approximately ₹ 83,000 to approximately ₹ 108,000. A pandemic-induced nationwide lockdown in the early part of Fiscal 2021 led to a decline in income and widespread temporary loss of jobs, pushing per capita GDP lower by 6.8% year-on-year, to approximately ₹ 101,000 in Fiscal 2021, back to Fiscal 2018 levels.

On this low pandemic-impacted base, per capita GDP recorded an approximately 8% growth in Fiscal 2022, rising to ₹ 109,000, thus crossing the pre-Covid-19 level of Fiscal 2020. In Fiscal 2023, per capita GDP rose to an all-time high of ₹ 115,746 as the economy registered consecutive years of robust growth.

Per capita GDP for India

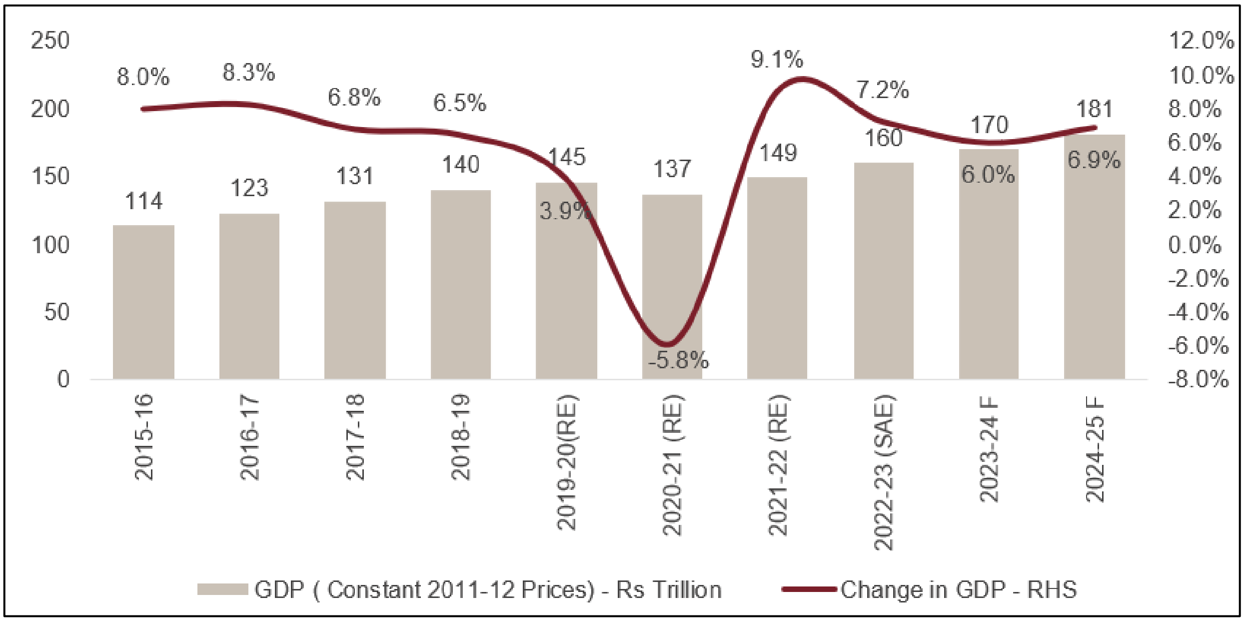


RE: Revised estimate; SAE: Second Advance Estimates; Note: Based on constant prices, 2011-2012 base.
Source: National Account Statistics, CRISIL MI&A Research

With GDP growth gaining pace, CRISIL MI&A Research forecasts per capita income will further gradually improve, boosting domestic consumption over the medium term. As per IMF estimates, India's per capita income (at current prices) is expected to grow annually at over 8% over the next two years.

Gross Domestic Product: Review and outlook

On-year GDP change



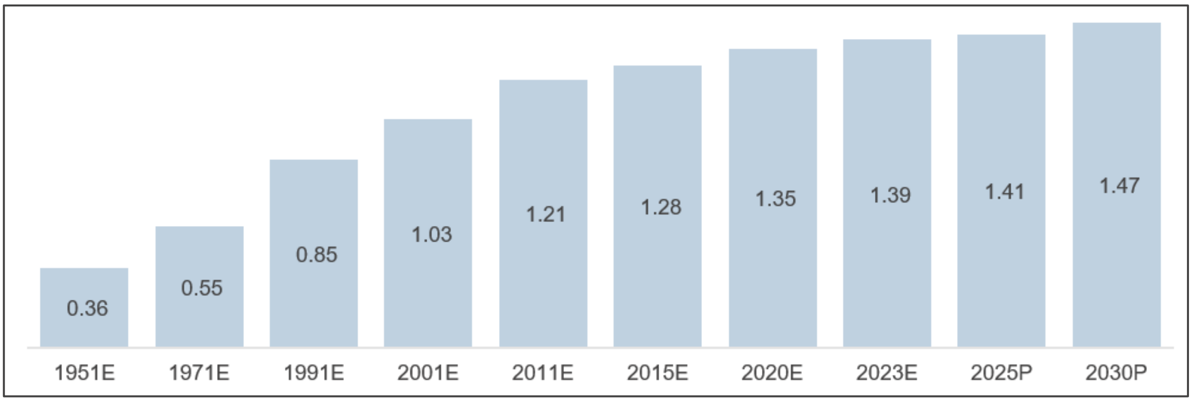
P: Projected; RE: Revise estimate; SAE: Second Advanced Estimate
Source: National Statistical Office (NSO), CRISIL MI&A Research

Indigenous advantages to lift economic growth rate in longer term

Growing population an asset to the economy

As per the report published (in July 2020) by the National Population Commission, Ministry of Health and Family Welfare, India's population in 2011 was 121 crore, comprising approximately 246 million households. The decadal growth rate during 2001-2011 stood at 17%. This is estimated to have decreased to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with the country's population in 2030 estimated at 1,470 million, India will continue to be a major opportunity market from a demand perspective.

India's population growth trajectory (billion)

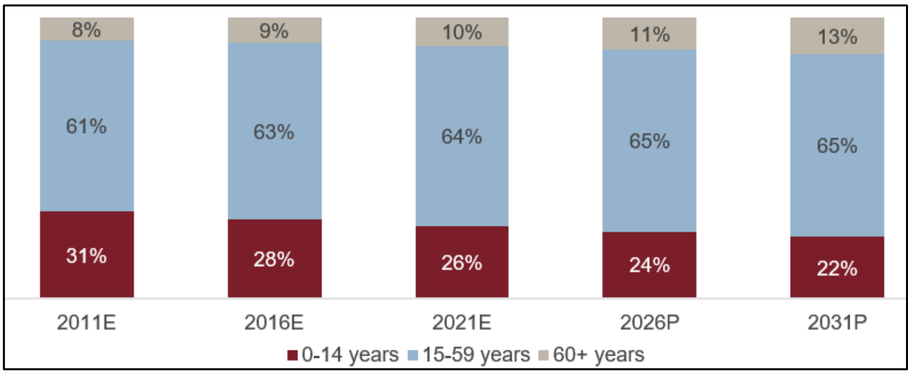


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A Research

Favourable demographics

India has one of the world's largest youth populations, with a median age of 28 years. About 90% of Indians are below 60 years of age. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects that the large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth in the economy.

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



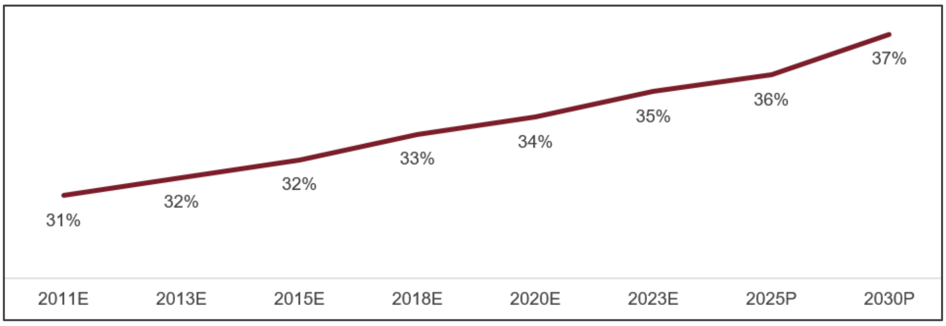
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A Research

Urbanisation on the rise

Urbanisation is a key growth driver for India, supporting faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been rising consistently and is expected to reach 35% by 2023 from 31% in 2011, spurring demand.

Urban consumption in India has shown signs of improvement, and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and help domestic economic growth.

Urbanisation population as a percentage of total population in India

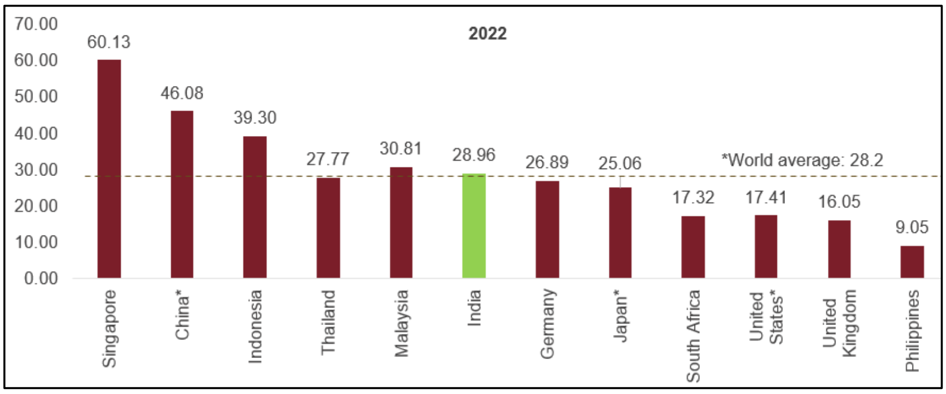


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A Research

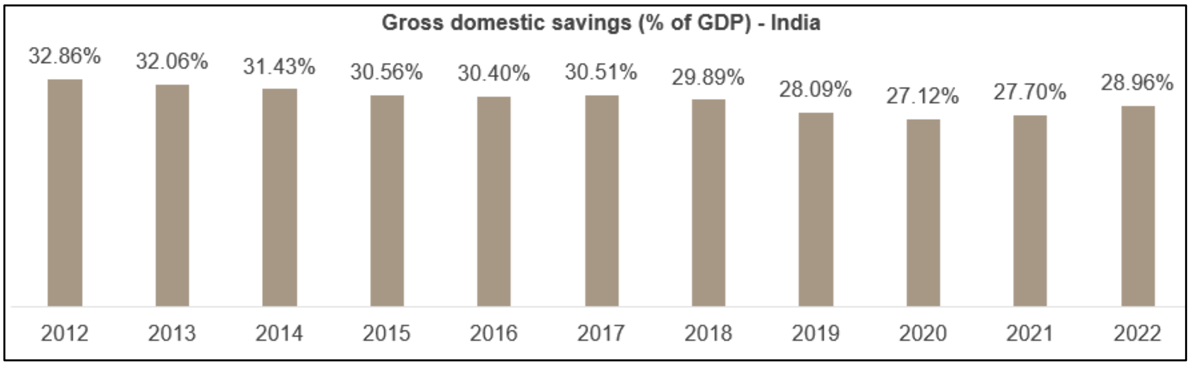
Household savings decreasing yet higher than world average

According to the World Bank, the savings rate, or the proportion of GDS in India's GDP has shown a downward trend in the past decade. India's GDS peaked at 34.4% of the GDP in Fiscal 2007 and dipped to 32.8% in Fiscal 2008. This was largely on account of a sharp slowdown in public savings, with the government resorting to fiscal stimulus to address the external shock from the global financial crisis. However, India's domestic savings is still higher at 28.96% at the end of 2022, compared with the world average of 28.2% at the end of 2021.

India's domestic savings (in % of GDP) higher than the world average



*Note: The savings rate is in %; *Figures for China, Japan and the United States and world average are based on 2021.*
Source: World Bank, CRISIL MI&A Research



Source: World Bank, CRISIL MI&A Research

CRISIL MI&A Research expects India to continue being a high-savings economy at least over the next decade. CRISIL MI&A Research is also positive on the savings rate increasing in the medium term, as households become focused on creating a nest egg for future post pandemic-induced uncertainties. As per the RBI, the share of financial savings increased from 45% in Fiscal 2016 to 51% in Fiscal 2021, while that of the physical savings fell from 55% to 48% before increasing to 60% in Fiscal 2022. The money getting financialised is increasingly being invested in mutual funds and insurance funds. The share of mutual funds increased to nearly 10% in March 2022 from 7% in June 2018, while that of insurance funds rose to 24% from 20%. Going forward, if the trend continues, it is expected to boost capital markets and consequently, the economy.

Gross domestic savings trend

Parameters (₹ billion)	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022
GDS	40,200	42,823	48,251	54,807	60,004	59,411	57,168	70,767
Household sector savings	24,391	24,749	27,871	32,966	38,446	38,452	44,347	46,195
Gross financial Savings	12,572	14,962	16,147	20,564	22,637	23,246	30,544	25,979
Net financial savings	36%	45%	41%	40%	39%	40%	51%	39%
Savings in physical assets	62%	53%	57%	59%	60%	59%	48%	60%
Savings in the form of gold and silver ornaments	2%	2%	2%	1%	1%	1%	1%	1%

Note: The data is for financial year ending March; Gross financial savings of the household sector include gross financial savings of the quasi corporate sector;
Source: MOSPI, CRISIL MI&A Research

Structural reforms that will drive future growth

While India has a structural advantage on account of its young workforce, improving consumption pattern and increasing urbanisation, the nation's long-term growth is expected to be supported by the following government initiatives:

- Focus on infrastructure investments rather than boosting consumption to enhance the productive capacity of the economy;
- The PLI scheme which aims to boost local manufacturing by providing volume-linked incentives to manufacturers in specified sectors;
- Policies aimed at greater formalisation of the economy that will accelerate per capita income growth;
- Adoption of digital technology;
- The announcement of the National Infrastructure Pipeline to provide better infrastructure for all sectors, enhance ease of living of citizens and make growth more inclusive
- The National Monetisation Policy of operating public infrastructure assets acts as a key means for sustainable infrastructure financing
- Inclusion of a larger share of population under health insurance as part of the Ayushman Bharat scheme
- Initiatives launched by the Indian government to promote financial inclusion such as the Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and the Pradhan Mantri Suraksha Bima Yojana.

Union Budget 2023-2024: Leaning more on capex, while tightening the fiscal belt

Budgeting for a post-pandemic economy

In the budget for Fiscal 2024, the government continued its march towards fiscal consolidation, led by a broad-based recovery in the Indian economy in Fiscal 2023. It set a target of reducing fiscal deficit to 5.9% of the GDP in Fiscal 2024 from 6.4% (revised estimate). It also reiterated its commitment to bring the fiscal deficit below 4.5% of GDP by Fiscal 2026.

Though Fiscal 2023 has witnessed a broad-based recovery and resilient domestic demand so far, headwinds from slowing global growth and tighter financial conditions threaten to hurt the country's economic prospects in Fiscal 2024.

The budget has tried to strike a balance between fiscal consolidation and growth by continuing to focus on capital expenditure and creating a fiscal space for that by cutting revenue expenditure. In addition, it eased the tax burden on the middle-income segment to improve consumer confidence and promote a more inclusive recovery.

Budget scores big on capex thrust to support growth

The Budget 2023-2024 paves the way for yet another year when the government is using the infrastructure capex tool to support the economy. But this time, the push is larger to lift the post-pandemic domestic economy out of the woods and simultaneously crowd in private sector capex. However, the government has largely stuck to its medium-term path of lifting the productive capacity of the economy through higher infrastructure spending rather than directly boosting consumption in a broad-based manner in a pre-election year.

Despite a slowing economy and hence slower growth in tax collections, in conjunction with the need to trim the fiscal deficit, capex has received its due. Total central government capex growth is seen doubling to approximately 28% from 14% in Fiscal 2024. This includes capex from the budget and capex incurred by CPSEs. While the role of CPSEs in capex has been waning since Fiscal 2019, Fiscal 2024 could see a mild rise in their capex.

Budget announcements have positive impact on agriculture sector

As per the budget announcement, cumulative budget allocation under the Ministry of Agriculture and Farmers' Welfare, Department of Fertilisers and Ministry of Rural Development was reduced 13% year-on-year to ₹ 4.6 lakh crore in Fiscal 2024BE from ₹ 5.27 lakh crore in Fiscal 2023RE. The agriculture and rural development budget this year veers towards structural changes and reduces focus on short-term measures. MGNREGA witnessed a 33% cut in allocation, bringing down its share in the department's budget to 38% from 49% in the previous fiscal. Normalisation of the rural economy, led by moderately strong agricultural growth and a swift recovery from the pandemic-induced slowdown, culminating in better employment opportunities, have driven this decrease. On the other hand, the share of other schemes such as Pradhan Mantri Awas Yojana (PMAY increased to 35% from 27%, with an allocation of ₹ 0.54 lakh crore in Fiscal 2024BE (13% year-on-year growth).

It is important to note that the budget laid special emphasis on modernisation of agriculture through the introduction of the Agriculture Accelerator Fund and digital public infrastructure for agriculture. The Agriculture Accelerator Fund, which emphasises on providing support to agricultural start-ups by the rural youth, will help in strengthening rural entrepreneurship and bringing innovative and affordable solutions for challenges faced by farmers. Also, digital public infrastructure for agriculture will enable improved information availability for all stakeholders in the agriculture value chain, thereby aiding access to credit and allowing better planning for farmers as well as processors.

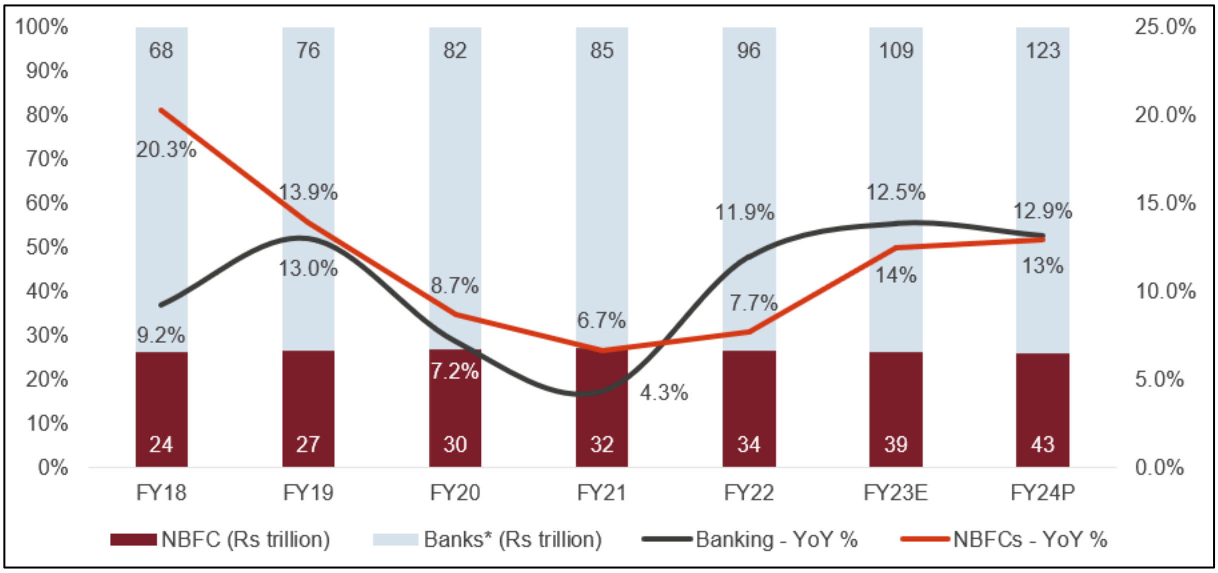
Increased allocation for the PLI scheme in the food processing sector is expected to boost export of value-added products, thereby fetching higher realisations for food processors.

Credit growth revived sharply in Fiscal 2023 despite slowdown in overall economy

Aggregate financial credit in India is estimated at approximately ₹ 147 trillion (excluding agricultural credit) as of March 2023, with banks having a major share in the pie at ₹ 109 trillion and NBFCs/HFCs (housing finance companies) holding the balance ₹ 39 trillion. Banking sector credit in India is estimated to have grown at 13% - 15% during Fiscal 2023. Going ahead, CRISIL MI&A Research expects bank credit to grow at 12% - 14% during Fiscal 2024, with a large part of this growth spurred by the retail segment, primarily owing to rising demand for home and vehicle loans and supported by recovery in the services segment, with pent up demand in NBFCs and the trade segment.

Further, post a moderation in growth after the pandemic abated, NBFCs were back on track with an estimated credit growth of 12% - 13% in Fiscal 2023, taking the NBFCs' (including HFCs and PFC REC) credit outstanding to ₹ 39 trillion. CRISIL MI&A Research expects the growth trend to continue with credit growth at 13% - 14% during Fiscal 2024. The primary growth drivers for Fiscal 2024 and Fiscals 2023 are the key retail segments such as housing, auto and microfinance.

Banks a major source of credit in the economy alongside NBFCs which gained momentum



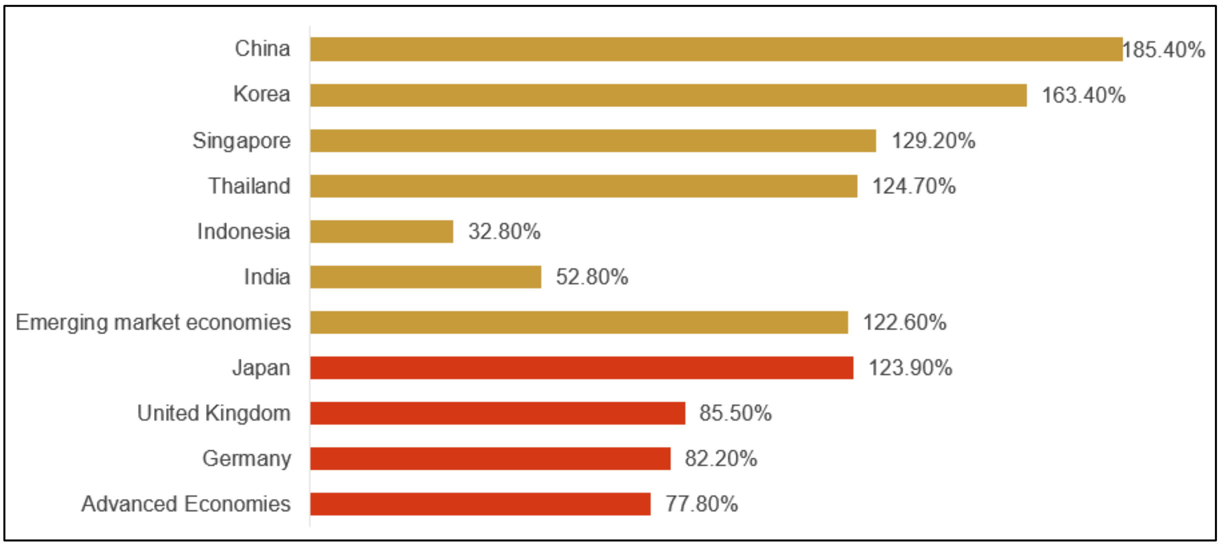
** Note: The above representation of bank credit is exclusive of agriculture and food credit*
P – Projections; Source: RBI, CRISIL MI&A Research

Financial inclusion

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

The Indian banking sector is significantly under-penetrated as observed in the current bank credit-to-GDP ratio of 52.80% for India as of the fourth quarter of 2022. This provides immense opportunities for banks and other financial institutions over the long term.

Bank credit to private non-financial sector as a % of GDP ratio for major economies (as of fourth quarter of 2022)



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

Rural sector supporting India growth story

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

According to the Economic Survey report dated January 31, 2023, the government's emphasis has been on improving the quality of life in rural areas to ensure more equitable and inclusive development. The aim of the government's engagement in the rural economy has been 'transforming lives and livelihoods through proactive socio-economic inclusion, integration, and empowerment of rural India'. The survey notes that a multi-pronged approach has helped raise rural incomes and improve the quality of life through different schemes, such as:

Livelihood and skill development

The Deendayal Antyodaya Yojana-National Rural Livelihood Mission, which aims to enable economically weak households to access gainful self-employment and skilled wage employment opportunities, resulting in sustainable and diversified livelihood options for them.

Mahatma Gandhi National Rural Employment Guarantee Scheme, under which a total of 43.1 million households availed of employment. A total of 1,373.4 million person-days' employment has been generated under the scheme (until July 28, 2023).

Women empowerment

The transformative potential of Self-Help Groups ("**SHGs**"), exemplified through their key role in the on-ground response to Covid-19, has served as the fulcrum of rural development through women empowerment. India has around 12 million SHGs, 88% being all-women SHGs. Also, there has been a steady rise in Rural Female Labour Force Participation Rate from 19.7% in Fiscal 2019 to 27.2% in Fiscal 2022.

Housing for all

The Pradhan Mantri Awas Yojana – Gramin was launched in November 2016 with the aim of providing around 30 million pucca houses with basic amenities to all eligible houseless households living in kutcha and dilapidated houses in rural areas by 2024. Under the scheme, landless beneficiaries are accorded the highest priority in the allotment of houses. A total of 27 million houses have been sanctioned and 23.3 million houses have been completed by March 31, 2023, under the scheme. Other initiatives of the government are towards promoting smoke-free rural homes and rural infrastructure.

Additionally, e-commerce has been a significant contributor to the growth of rural areas. The e-commerce market in India has grown exponentially in recent years. This growth can be attributed to increased internet penetration, the proliferation of smartphones, and the convenience offered by online shopping.

Additionally, the government has taken various steps to improve overall financial inclusion:

Jan Dhan Yojana: In 2014, the government launched the Pradhan Mantri Jan Dhan Yojana ("**PMJDY**"), aimed at providing basic banking services to every household in the country. Under the scheme, bank accounts were opened for people who did not have them, and RuPay debit cards were issued to account holders. As on July 19, 2023, 495.6 million accounts had been opened with deposits amounting to ₹ 2,005,902.5 million. Also, about 67% of PMJDY account holders belong to the rural and semi-urban areas, and the remaining 33% are households from urban and metro areas. Further, 338.2 million RuPay cards have been issued to new banked account holders for facilitating banking transactions.

Schemes such as the **Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana** to provide accidental death or disability cover, and the Atal Pension Yojana to provide pension cover to subscribing bank account holders.

Sukanya Samriddhi Yojana: The savings scheme launched in 2015 is targeted at parents accumulating savings funds for girl children of 10 years or younger under the 'Beti Bachao, Beti Padhao' campaign. The total number of registered subscribers as of Fiscal 2023 was 35,008,208 and the amount saved was ₹ 1,750,076.5 million.

Small-savings schemes: Various small-savings schemes have been introduced by the government for the promotion of risk-free government-backed saving portfolios for low- and medium-income individuals, including National Savings Deposit Account, Post Office Savings Account, Senior Citizen Savings Scheme, Kisan Vikas Patra and National Savings Certificate ("**NSC**"). The collections under NSC stood at ₹ 2,202,591.3 million in Fiscal 2022 (up to January 2022).

Direct-benefit transfer (DBT): DBT has been instrumental in the acceleration of financial inclusion since it has helped eliminate human interface and leakages in the system, ensuring timely, accurate and quality services and fund transfers to the beneficiaries. This tool has helped in the disbursal of benefits to a wide population spread geographically through 312 government schemes, such as the Pradhan Mantri Matru Vandana Yojana for women, Pradhan Mantri Ujjwala Yojana, Krishi Unnati Yojana or Mahatma Gandhi National Rural Employment Guarantee Scheme for beneficiary bank accounts held by any gender. The total DBT was ₹ 7,163,960 million in Fiscal 2023 and cumulative total DBT was ₹ 30,602,410 million.

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

Mobile banking: The government has promoted mobile banking to make financial services accessible to people who are unable to access physical bank branches. Mobile banking has increased financial inclusion in rural areas. Some of the mobile banking initiatives for financial inclusion are UPI, mobile wallets, Jan Dhan Yojana Mobile App, and business correspondent model.

Financial literacy programmes: The government has launched various financial literacy programmes to educate people about the benefits of financial planning and management. These programmes aim to improve financial literacy among the marginalised sections of the society and empower them to make informed financial decisions. The government and financial institutions have launched various financial literacy programmes (National Centre for Financial Education, Swabhimaan, among others) to improve financial literacy among the general public, especially in rural areas.

Kisan Credit Card (KCC): The KCC scheme aims at providing adequate and timely credit support to farmers for their agricultural activities at various stages of farming. The provisional total number of operative KCCs stood at 28.2 million in Fiscal 2023, with a total outstanding loan amount of ₹ 5,186,360 million, up from ₹ 4,762,730 million in Fiscal 2023 (provisional amount).

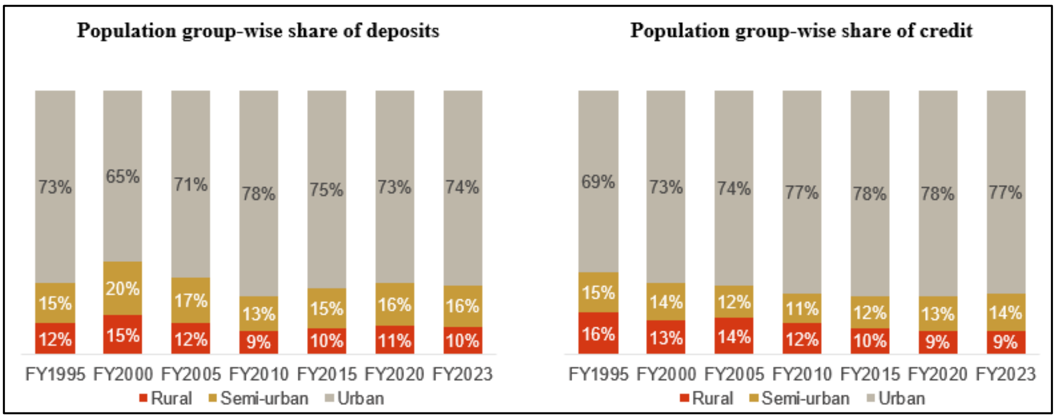
National Pension Scheme (NPS): Regulated by the Pension Fund Regulatory and Development Authority, NPS is mandatory for Central government employees and voluntary for corporates and all citizens (aged 18-65 years) with matching contributions by the employer. As of March 2023, NPS had 17.3 million subscribers — 35% under the state government and 14% under the Central government.

Priority-sector lending: PSL is an important policy tool used by the RBI to promote financial inclusion in India. The PSL requirement mandates banks allocate a specified percentage of their lending portfolio to priority sectors, such as agriculture; micro, small and medium-sized enterprises (MSMEs); education; housing; and other weaker sections of the society. As of Fiscal 2023, bank credit to PSL stood at ₹ 50,593,210 million, up from ₹ 45,430,930 million from Fiscal 2022 (provisional amounts from the RBI's annual report).

Rural India accounts for 47% of GDP, but only 10% of deposits and 9% of credit

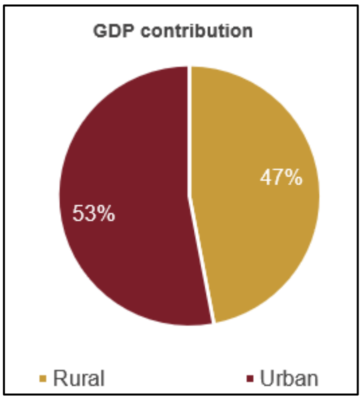
Rural India has a crucial role to play, as 65% of the population resides in rural areas, as per 2021 data from the Economic Survey January 2023 and as per the Census data of 2011, there are over 0.64 million villages in India. About 47% of India's GDP comes from rural areas; however, their share is abysmally low at just 10% of total banking deposits and 9% of total credit as of March 2023. The share of credit to rural areas has declined gradually over the years to a mere 9% in Fiscal 2023 from 16% in Fiscal 1995. Lack of bank infrastructure, low level of financial literacy and investment habits, along with lack of formal identification, are some of the reasons for low penetration.

Share of bank credit and deposits shows low penetration in rural areas



Note: Urban includes data for urban and metropolitan areas, Above data represents indicators for scheduled commercial banks in India; Source: RBI; CRISIL MI&A Research

Rural versus urban split of GDP

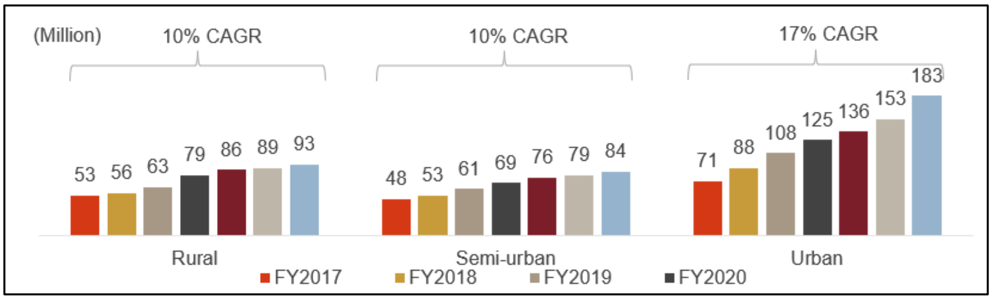


Source: CSO; RBI; CRISIL Research estimates (for GDP contribution as per 2017)

Financial inclusion is lower in rural areas than in urban areas in India. Hence, there are significant growth opportunities, as competition for banking services is lower in rural areas as well. Initiatives such as PMJDY and digital banking, along with increasing emphasis on financial literacy, have led to increasing financial inclusion in rural areas. In rural areas, the number of bank credit accounts grew at a 10% CAGR, while the number of bank deposit accounts grew at a CAGR of 5% between Fiscal 2017 and Fiscal 2023. We can expect faster growth in rural areas in the long term on account of digital infrastructure and as payments banks increase their reach by expanding into rural areas and increasing financial awareness. The number of credit accounts in semi-urban areas grew at a CAGR of 10%, while the number of deposit accounts grew at a CAGR of 5% between

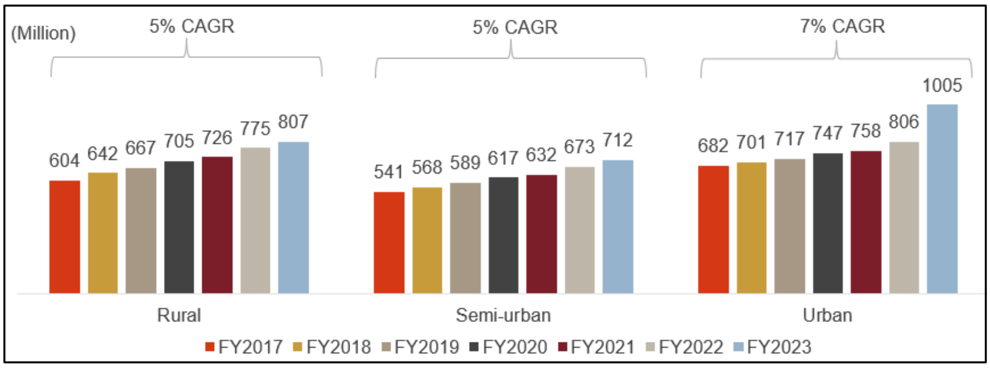
Fiscal 2017 and Fiscal 2023. The number of credit accounts in urban areas grew at a CAGR of 17% and the number of deposit accounts grew at a CAGR of 7% between Fiscal 2017 and Fiscal 2023.

Bank credit accounts in rural, semi-urban and urban areas



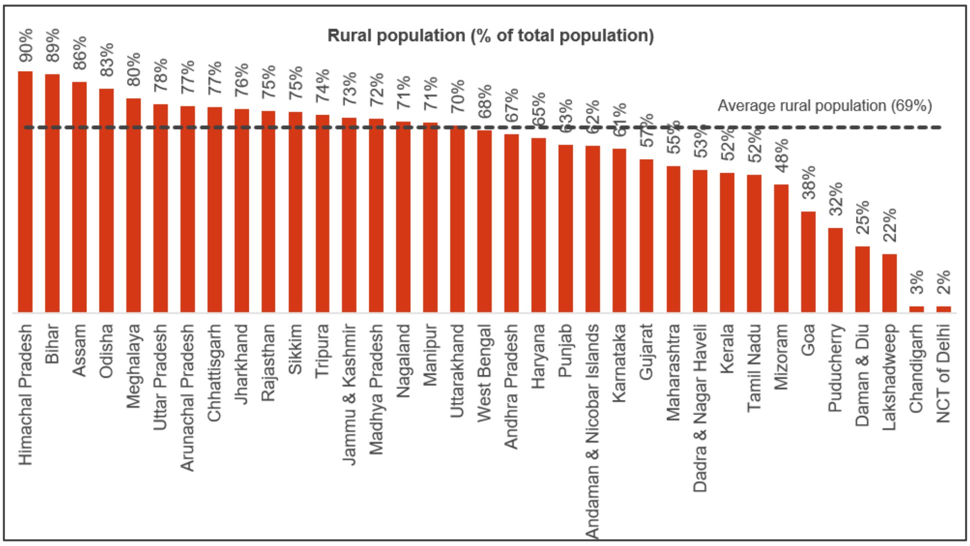
Note: Urban includes data for urban and metropolitan areas; data represents only bank outstanding credit accounts; above data represents indicators for scheduled commercial banks in India; Source: RBI; CRISIL MI&A Research

Bank deposit accounts in rural, semi-urban and urban areas



Note: Urban includes data for urban and metropolitan areas; amounts are as of the end of the fiscal year indicated. Data represents only bank deposit accounts. Above data represents indicators for scheduled commercial banks in India
Source: RBI, CRISIL MI&A Research

State-wise share of rural population (2011)



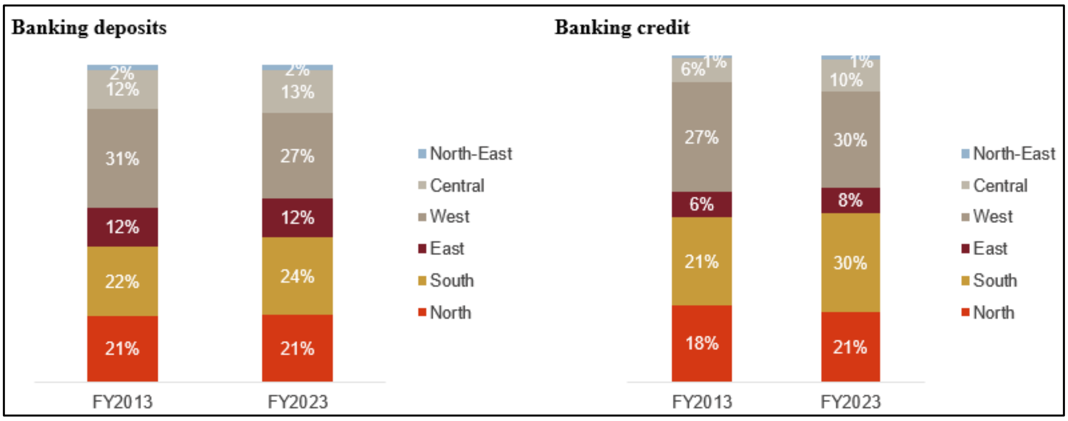
Note: Sequence of states are arranged in descending order of the proportion of rural population; Source: Census 2011, CRISIL MI&A Research

Although most Indian households are in rural areas, the potential of banking infrastructure in these areas is not yet fully explored. Hence, there is a gap in supply of and demand for financial services in the country's rural areas, which are pockets of opportunity for the financial services sector.

Region-wise asymmetry: Over 50% of deposits and 60% of credit held by south and west

In value terms bank credit and deposits are predominantly concentrated in the southern and western regions, while these are considerably low in the northeastern and eastern regions. Deposit penetration in the southern region increased 200 bps to 24% in Fiscal 2023 from 22% in Fiscal 2013 and credit penetration jumped 900 bps to 30% from 21%. On the other hand, the former decreased in the western region by 400 bps to 27% from 31%, while the latter increased 300 bps to 30% from 27%. There has been no change in deposit penetration in northern regions, while credit penetration increased by 300 bps in Fiscal 2023. The share of the north-east region remained stable at 2% for deposits at 1% for credit. Deposit penetration in the eastern and central regions have remained relatively stable over the past 10 years, whereas credit penetration improved 400 bps in the central region to 10% in Fiscal 2023 from 6% in Fiscal 2013. Credit penetration in eastern region improved 200 bps to 8% in Fiscal 2023 from 6% in Fiscal 2013. And while the share of the northeast was stable, it was a lowly 2% for deposits at 1% for credit.

Region-wise share of banking deposits and credit



Notes:

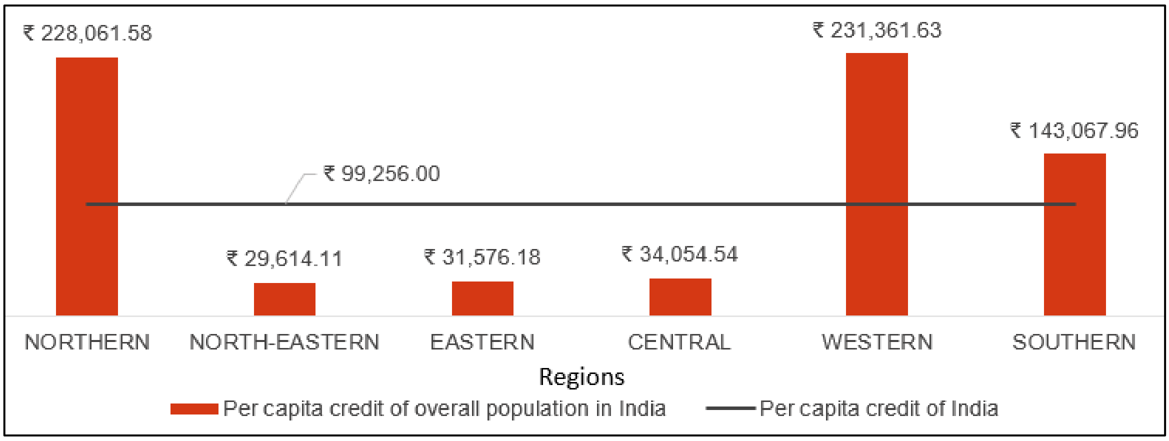
1. *Northeast includes Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura*
2. *Central includes Chhattisgarh, Madhya Pradesh, Uttar Pradesh and Uttarakhand*
3. *West includes Goa, Gujarat, Maharashtra, Dadra and Nagar Haveli, and Daman and Diu*
4. *East includes Bihar, Jharkhand, Odisha, Sikkim, West Bengal, and Andaman and Nicobar Islands*
5. *South includes Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Lakshadweep, and Puducherry*
6. *North includes Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Chandigarh, and Delhi*

Source: RBI, CRISIL MI&A Research

Region-wise bank credit and deposit per capita

Bank credit per capita in the eastern and central regions has been second and third lowest, respectively, among all the regions in Fiscal 2023, and nearly three times lower than the national credit per capita. When compared with the other regions, this implies low penetration of banks in the two regions. In contrast, the northern and western regions have more than two times credit per capita vis-à-vis the national average, while in the southern region, it is near 1.4 times.

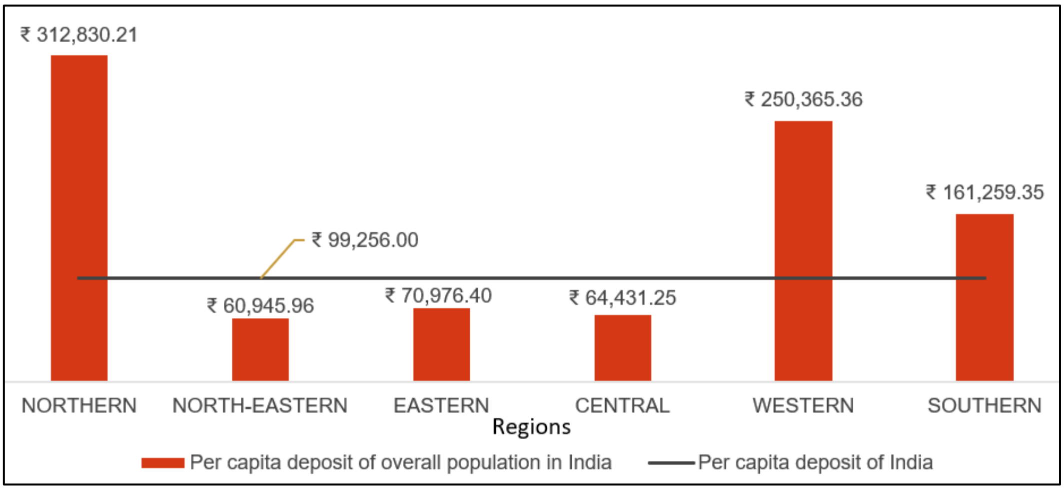
Per capita credit region-wise



Source: RBI, CRISIL MI&A Research

Similarly, bank deposit per capita has been dominated by the northern and western regions, accounting for over three times and 2.5 times the national deposit per capita, respectively, whereas the northern, northeastern and central regions were lower by 1.5 times.

Per capita deposit of overall population in India



Source: RBI, CRISIL MI&A Research

This provides an opportunity for all lending and deposit accepting institutions to expand in these regions, and also widen their footprint in specific regions.

Large variation in credit availability across states, districts and regions

The central region had the highest share of overall population of India, at 26%, in Fiscal 2023. Yet, its share in overall credit was a mere 9%. Similarly, the eastern region accounted for 23% share of the overall population, but comprised only 7% of the overall credit. The credit-to-deposit ratio of the eastern region was the lowest among all regions. In contrast, the western and southern regions had disproportionately high share in overall credit compared to their share in overall population.

That said, credit availability in the states and various districts in the same state vary widely. This indicates latent opportunity for providing banking services to unserved or underserved customers. For instance, Uttar Pradesh, Maharashtra and Bihar are the most populous states in India, accounting for 17%, 9% and 9% share, respectively, of the overall population. While Maharashtra's share in overall credit outstanding was 28% in Fiscal 2023, the shares of Uttar Pradesh and Bihar were only 5% and 1%, respectively.

Based on bank credit accounts in rural areas, West Bengal, Bihar, Odisha, Jharkhand, Jammu and Kashmir, Himachal Pradesh, and Meghalaya had more than 45% of credit accounts in rural areas, while for Maharashtra, Delhi, Gujarat, Kerala, Haryana, Chandigarh, Puducherry, and Mizoram, the share was below 20%.

In value terms, states such as Maharashtra, Delhi, Chandigarh and Kerala have less than 5% of credit outstanding in rural areas, while Manipur, Tripura, Meghalaya, Jammu and Kashmir, Ladakh, Lakshadweep and Himachal Pradesh have more than 30% of rural credit outstanding.

But even in Maharashtra and Delhi, which are the states with highest share in overall credit, more than 80% of the total credit outstanding was concentrated in the top five districts as of Fiscal 2023.

State-wise rural credit accounts in banks and top five districts concentration (Fiscal 2023)

Region / state / union territory	No. of districts	% share in overall population in India	Share in overall credit	Credit-to-deposit ratio	Concentration of credit in top top districts	% of credit in rural areas	Concentration of credit accounts in top five districts	% of credit accounts in rural areas
Western region	**74**	**14%**	**34%**	**92%**	**NA**	**3%**	**NA**	**8%**
Maharashtra	36	9%	28%	100%	90%	2%	80%	6%
Gujarat	33	5%	5%	72%	70%	9%	50%	18%
Goa	2	0%	0%	25%	100%	18%	100%	31%
Dadra and Nagar Haveli, and Daman and Diu	3	0%	0%	38%	100%	3%	100%	5%
Southern region	**146**	**20%**	**28%**	**89%**	**NA**	**11%**	**NA**	**27%**
Tamil Nadu	38	6%	9%	106%	59%	12%	36%	28%
Karnataka	29	5%	7%	64%	75%	11%	46%	33%
Telangana	34	3%	5%	102%	78%	9%	46%	29%
Andhra Pradesh	26	4%	4%	151%	44%	18%	26%	35%
Kerala	14	3%	3%	65%	67%	2%	51%	4%
Puducherry	4	0%	0%	65%	100%	11%	100%	18%
Lakshadweep	1	0%	0%	10%	100%	40%	100%	40%

Region / state / union territory	No. of districts	% share in overall population in India	Share in overall credit	Credit-to-deposit ratio	Concentration of credit in top top districts	% of credit in rural areas	Concentration of credit accounts in top five districts	% of credit accounts in rural areas
Northern region	**111**	**13%**	**21%**	**74%**	**NA**	**9%**	**NA**	**26%**
NCT of Delhi	1	2%	11%	90%	100%	0%	100%	0%
Rajasthan	33	6%	3%	82%	53%	17%	41%	32%
Haryana	22	2%	3%	58%	64%	11%	44%	22%
Punjab	22	2%	2%	53%	59%	20%	46%	30%
Jammu and Kashmir	20	1%	1%	55%	59%	36%	49%	52%
Chandigarh	1	0%	1%	76%	100%	0%	100%	1%
Himachal Pradesh	12	1%	0%	33%	74%	60%	67%	72%
Ladakh	2	0%	0%	40%	100%	37%	100%	44%
Central region	**167**	**26%**	**9%**	**53%**	**NA**	**18%**	**NA**	**38%**
Uttar Pradesh	75	17%	5%	45%	40%	21%	19%	44%
Madhya Pradesh	52	6%	3%	72%	53%	13%	32%	28%
Chhattisgarh	27	2%	1%	74%	73%	10%	43%	27%
Uttarakhand	13	1%	1%	36%	89%	22%	82%	35%
Eastern region	**126**	**23%**	**7%**	**44%**	**NA**	**19%**	**NA**	**50%**
West Bengal	24	7%	4%	48%	72%	15%	40%	46%
Bihar	38	9%	1%	45%	48%	26%	39%	50%
Odisha	30	3%	1%	44%	62%	22%	38%	53%
Jharkhand	24	3%	1%	34%	69%	20%	56%	52%
Sikkim	5	0%	0%	43%	99%	28%	99%	40%
Andaman and Nicobar Islands	5	0%	0%	52%	100%	20%	100%	25%
Northeastern region	**114**	**4%**	**1%**	**49%**	**NA**	**26%**	**NA**	**42%**
Assam	33	3%	1%	52%	53%	24%	37%	44%
Tripura	8	0%	0%	42%	86%	35%	82%	43%
Meghalaya	11	0%	0%	38%	90%	35%	84%	48%
Manipur	16	0%	0%	73%	83%	31%	84%	31%
Nagaland	12	0%	0%	49%	78%	22%	72%	28%
Arunachal Pradesh	26	0%	0%	27%	71%	29%	63%	35%
Mizoram	8	0%	0%	41%	85%	17%	78%	22%

NA: Not applicable.
Notes:
Arranged in descending order of share in overall credit outstanding of banks in each region. Green indicates states with higher share in overall credit compared with its share in India's population, red indicates states with lower relative share in overall credit compared with its share in India's population, and orange indicates states with equivalent share in overall credit compared with its share in India's population.
Source: RBI, CRISIL MI&A Research

States with low financial penetration present a strong case for growth

Madhya Pradesh, Bihar and Uttar Pradesh have ample headroom for growth, given their low credit penetration amid sustained economic growth. Similarly, western states such as Maharashtra and Gujarat have showcased good growth in terms of GDP, though Gujarat has relatively low credit penetration, thereby presenting huge potential.

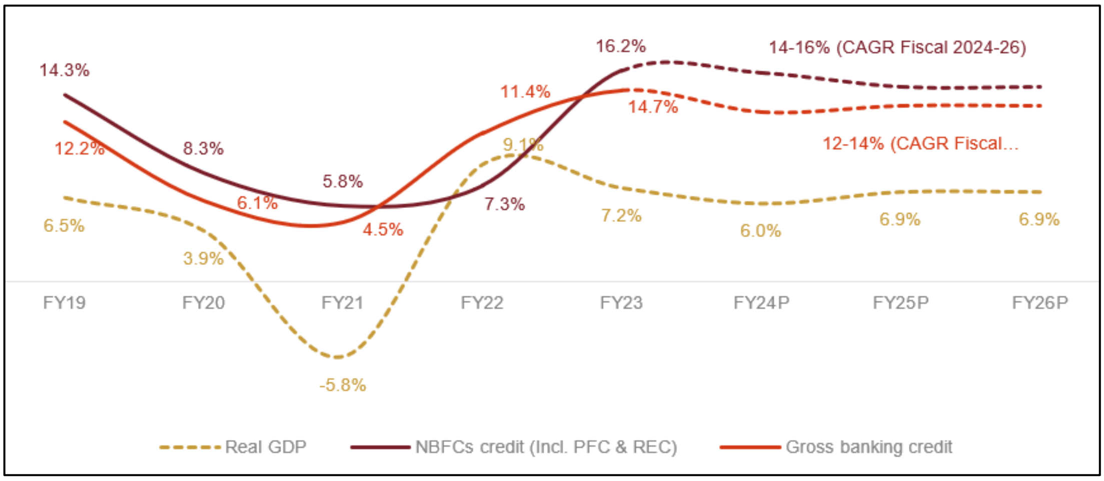
Uttar Pradesh, Bihar, Jharkhand, Assam, Meghalaya and Chhattisgarh had the lowest credit account penetration among all states in Fiscal 2023. These states also exhibit lower CRISIL Inclusix scores, indicating low financial inclusion.

With lower financial penetration, these states present a huge untapped market and potential for growth in the future as their state GDPs gradually increase.

Indian Microfinance Industry

Overall NBFCs - review and outlook

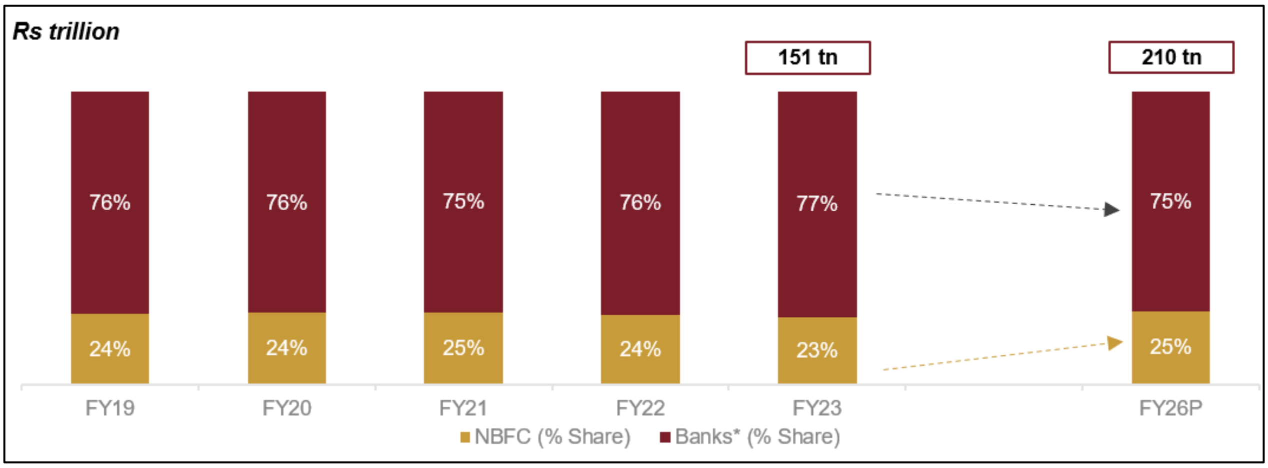
NBFCs clocked double-digit credit growth last fiscal, continuing healthy momentum; NBFCs to report retail segment-led credit growth of 14%-16% in medium term



Note: P — projected; Source: RBI, National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research

Between Fiscal 2016 and Fiscal 2018, NBFCs clocked 15% CAGR in credit, mainly due to the aggressive expansion of their footprint and the entry of numerous new players across India. However, non-banks faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the Covid-19 pandemic added to the pressures, curbing growth. Banks benefitted in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments. The pandemic brought about a sudden halt in economic activity and slowed down demand for credit in Fiscal 2021. In Fiscal 2022, the economy began to reopen, and lockdowns were relaxed after the second wave of the pandemic, leading to normalisation of business activities, which drove credit growth in most segments.

NBFCs outpace Banks in credit growth in medium term capturing market share

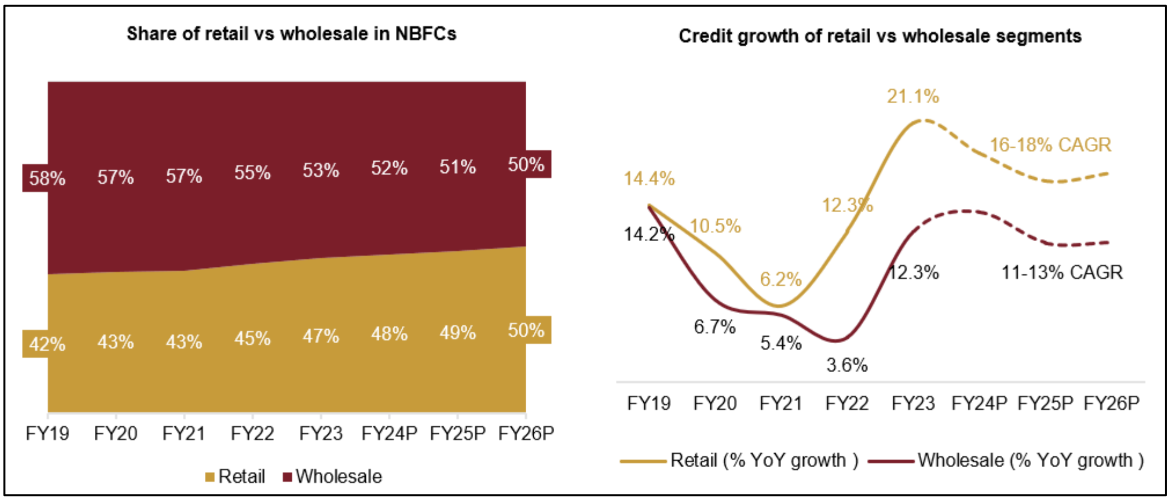


*Note: *The above representation of bank credit is exclusive of agriculture, international and food credit; P: Projected*
Source: CRISIL MI&A Research

Following moderation in credit growth during pandemic, NBFCs were back on track with growth of 16.2% in Fiscal 2023. This took the credit outstanding of NBFCs (including HFCs, PFC and REC and excluding HDFC) to approximately ₹ 34.8 trillion. CRISIL MI&A Research expects credit growth of 14%-16% in the medium term. The primary growth drivers being retail housing loans, personal loans, auto loans and microfinance in the retail segment, and micro, small and medium enterprise loans in the wholesale segment. With NBFCs outpacing banks in credit growth the market share of NBFCs is expected to increase by approximately 200 bps to 25% till Fiscal 2026.

Retail segment drove credit growth last Fiscal for NBFCs

Market share gain for retail segment to continue in Fiscal 2024

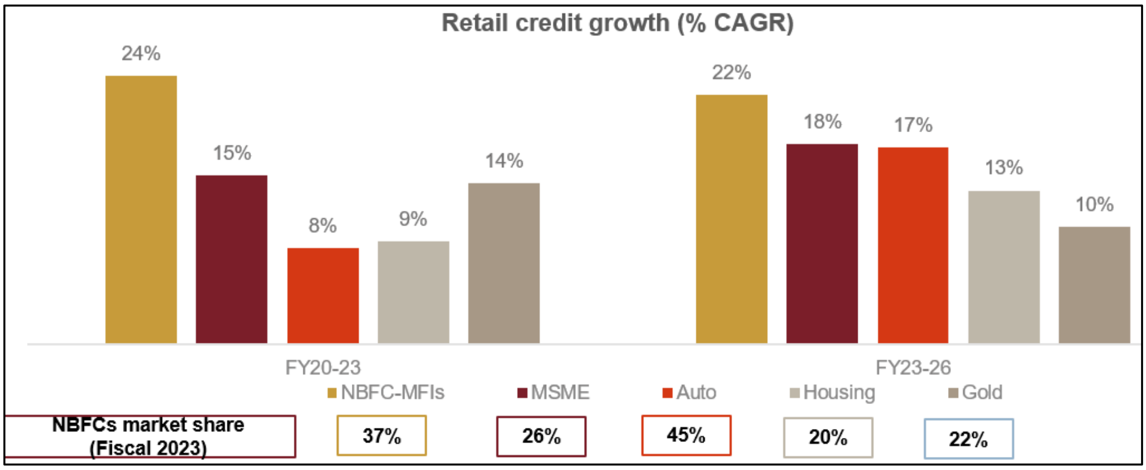


Note: P — projected
1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables, and education
2) Wholesale includes MSME, real estate and large corporate, infrastructure, and construction equipment
Source: Industry, CRISIL MI&A Research

After the NBFC crisis in Fiscal 2018, the retail segment led growth in the NBFC sector, while the wholesale segment saw low single-digit growth from Fiscal 2020 to Fiscal 2022. In Fiscal 2023, the retail segment grew 21.1% and the wholesale segment by 12.3%. While credit growth was broad-based in the retail segment, MSME was the primary growth driver for the wholesale segment.

With continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure, the retail segment's market share is expected to rise further and have an equal share by the end of Fiscal 2026. The growth rate for retail loans supported by housing, MFI and auto is expected to be in the range of 16% - 18% between Fiscal 2024 and Fiscal 2026.

Retail segment continues to lead NBFC credit growth



Note: P — Projected; Source: Company reports, CRISIL MI&A Research

Overall NBFCs are expected to continue outpacing banking credit growth with a focus on growing the retail portfolio. Key retail segments supporting in the overall NBFCs with double-digit credit growth between Fiscal 2024 to Fiscal 2026 includes micro-finance, retail housing, auto, and gold loans.

Increase in interest yields and improving credit cost to support RoA

	Yield on average assets		Cost of Funds		NIM		Credit Costs		Return on average assets	
	Fiscal 2023	Fiscal 2024P	Fiscal 2023	Fiscal 2024P	Fiscal 2023	Fiscal 2024P	Fiscal 2023	Fiscal 2024P	Fiscal 2023	Fiscal 2024P
Housing	9.8%	10.5%	6.9%	7.8%	2.9%	2.7%	0.3%	0.4%	1.8%	2.0%
Gold	15.1%	15.9%	5.2%	5.8%	9.9%	10.1%	0.1%	0.2%	4.8%	4.8%
MFI	17.3%	18.7%	7.3%	8.0%	10.0%	10.8%	3.3%	2.8%	2.6%	3.5%
Auto	12.5%	13.0%	5.8%	6.7%	6.6%	6.2%	1.8%	1.7%	2.3%	2.4%

Note: The above ratios are calculated on average total assets; Source: Company reports, CRISIL MI&A Research

In Fiscal 2023, to tackle inflation the Reserve Bank of India started increasing policy repo rating by 40 bps in May 2022 and 50 bps in June, August and September 2022, 35 bps in December 2022 and 25 bps in February 2023, taking policy repo rate to 6.50%. After an aggregate hike of 250 bps during Fiscal 2023, the central bank has been on a pause and evaluating the impact of rates hike on the economy since the pass on happens with a lag.

Overall yield and cost of funds for the retail segments are estimated to have gone up during Fiscal 2023 due to the interest rates hikes. However, the amount of pass-on has been distinct across all segments on account of level of competition, nature of asset class and segmental credit demand. The overall yields are expected to inch up moderately in Fiscal 2024. Accordingly, a stable or modest increase in RoA is expected across all segments in Fiscal 2024.

Improved NIM (except gold segment) and decline in credit costs are the key reasons for improving or stable profitability across most segments in Fiscal 2023. Further, increased competition from banks across all retail segments had a less than expected impact on the NBFCs' and HFCs' yields. This led to marginal moderation in NIM. Additionally, with healthy asset quality and lower credit cost, the RoAs are expected to improve across segments.

Growth and development of the Indian microfinance industry

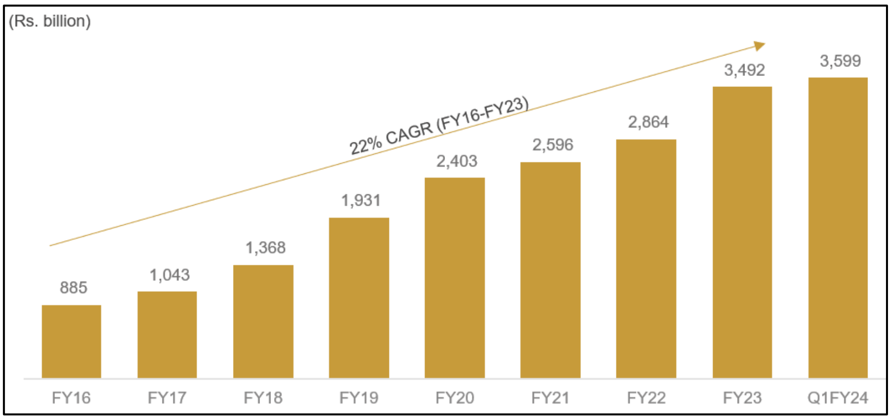
MFI industry portfolio outstanding logged 22% CAGR between Fiscal 2016 and Fiscal 2023

The industry's portfolio outstanding clocked 22% CAGR between March 2016 and March 2023 to reach ₹ 3,492 billion. The microfinance industry's JLG portfolio has recorded a healthy growth in the past few years.

In Fiscal 2021, the industry was adversely impacted by the onset of the Covid-19 pandemic. While disbursements came to a standstill and the industry portfolio outstanding dropped in the first quarter of the year, they picked up subsequently and reached pre-Covid levels in the third and fourth quarters. In Fiscal 2022, the second wave led to another slowdown, although not as severe as in the previous fiscal. On-year, the industry portfolio outstanding grew 10%. In Fiscal 2023, the overall microfinance industry portfolio outstanding grew 22% on-year to ₹ 3,492 billion. A significant portion of the on-year growth of the overall microfinance industry can be attributed to the expansion of the NBFC-MFI sector.

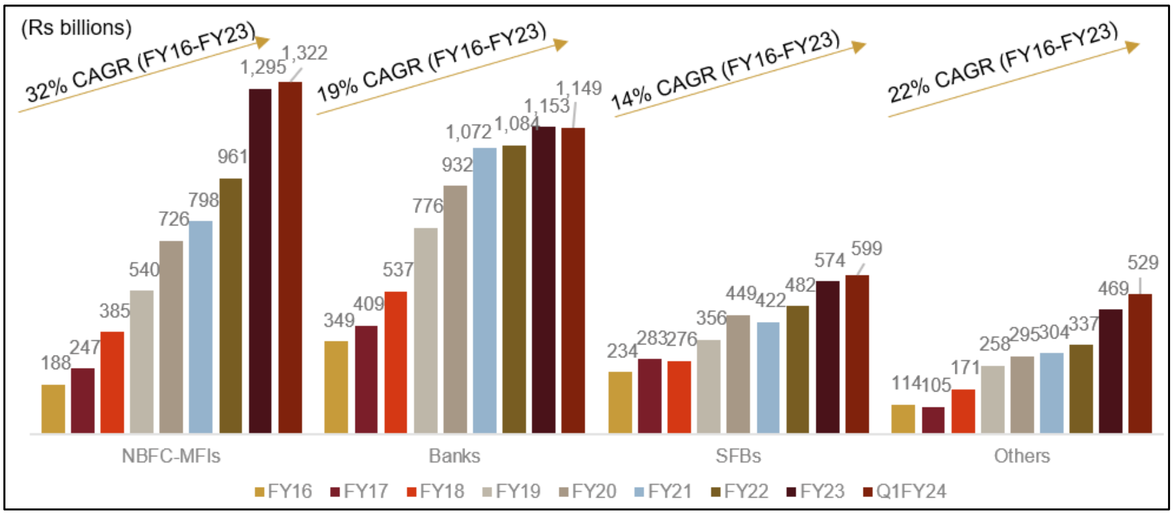
Overall industry portfolio outstanding in the first quarter of Fiscal 2024 reached ₹ 3,599 billion. CRISIL MI&A Research expects the overall microfinance industry to grow approximately 18% on-year in Fiscal 2024 and a further 15% in Fiscal 2025 Going forward, it will continue to see strong growth on the back of the government's continued focus on strengthening the rural financial ecosystem, robust credit demand, and bigger-ticket loans disbursals. The microfinance industry's growth has been relatively high despite the impact of various events such as demonetization, farm loan waivers, natural calamities, the IL&FS crisis, and the pandemic.

MFI industry portfolio outstanding clocked 22% CAGR between Fiscal 2016 and Fiscal 2023



Note: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups.
Source: CRIF Highmark, CRISIL MI&A Research

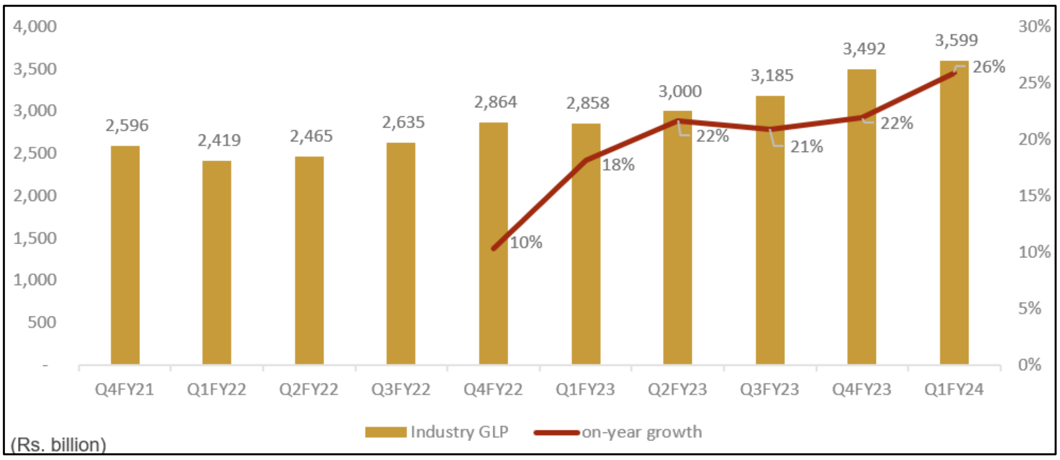
NBFC-MFIs' historical CAGR surpasses that of other industry player groups



Note: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups.
Source: CRIF Highmark, CRISIL MI&A Research

Industry portfolio outstanding grew 22% year-on-year in the fourth quarter of Fiscal 2023

On-year growth for the fourth quarter of Fiscal 2023 stood at 22% and for the first quarter of Fiscal 2024 stood at 26%.



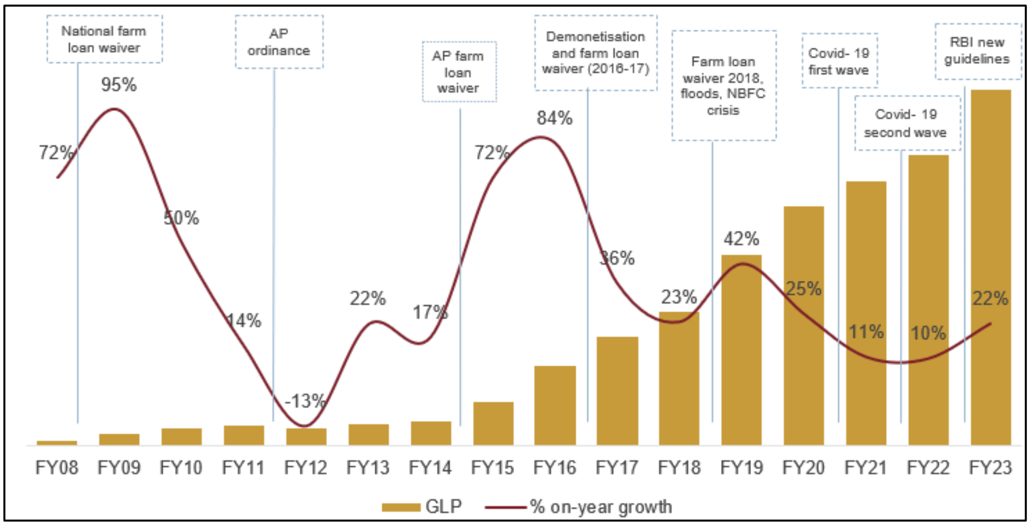
Note: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups. GLP refers to Gross Loan Portfolio. Source: CRIF Highmark, CRISIL MI&A Research

Industry resilient despite major setbacks and changing landscape

The microfinance industry has been growing despite facing various headwinds in the past decade, such as the national farm loan waivers (2008), the Andhra Pradesh crisis (2010), Andhra Pradesh farm loan waiver (2014), demonetization (2016), and more state-specific farm loan waivers (2017 and 2018). Of these events, the Andhra Pradesh crisis of 2010 had a lasting impact on the industry. Some players had to undertake corporate debt restructuring and found it difficult to sustain their business. While the demonetization of ₹ 500 and ₹ 1,000 denomination banknotes in November 2016 hurt the industry, the impact was not as deep as the Andhra Pradesh crisis and was limited to certain districts. PAR)data as of September 2018 indicates the industry recovered strongly from the aftermath of the demonetization. Furthermore, collections since September 2017 remained healthy. The liquidity crisis in 2018, however, had a ripple effect on microfinance lending as smaller NBFC-MFIs with capital constraints and lenders relying on NBFCs for funding slowed down disbursements.

NBFC-MFIs faced initial hiccups at the start of Fiscal 2021 due to the pandemic on account of uncertainty over collections and aversion by lenders to extend further funding to them. However, the situation improved gradually and most NBFC-MFIs, with the exception of a few, were able to improve the liquidity buffers during the course of the year by raising funds and after getting support from various government schemes. While the resurgence of Covid-19 led to a fresh bout of uncertainty with respect to collections in the first quarter of Fiscal 2022, the impact was not as pronounced as in the early part of the previous fiscal. The industry gradually rebounded in Fiscal 2022 on account of increased disbursements. Further, with revised MFI guidelines announced by the RBI in March 2022 that increased the total household income threshold for collateral-free loans coupled with higher consumption demand and lower slippages fueled growth in Fiscal 2023. In February 2023 Telangana High Court ordered that RBI-regulated NBFCs operating as MFIs should not be governed by state laws, Only the central bank has power to regulate these entities. A similar Supreme Court ruling last year reaffirmed that state moneylending acts will not apply to NBFCs that are under the regulation of the RBI, addressing industry dual regulation issues.

MFI industry has shown resilience over the past decade



Note: Data includes numbers for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHGs. The amounts are as at of the end of the financial year. GLP refers to Gross loan portfolio. Source: MFIN, CRISIL MI&A Research

Over the years, MFIs have proven their resilience to high-impact events. They have played an important role in promoting inclusive growth by providing credit to borrowers at the bottom of the economic pyramid. Despite catering to a vulnerable audience, the MFIs have historically proven their ability to recover effectively from crisis situations within a few months (for instance, demonetization) and have been able to maintain profitability over a cycle. Amid the pandemic, the MFIs bolstered their capital position by raising fresh equity. Their ability to raise capital, even in such uncertain times, can be attributed to the latent growth potential of the sector, capability of the industry to wade through periods of crises by taking proactive steps, social impact of MFI lending, and healthy profitability over business cycles. Furthermore, MFI lending is closely regulated by the RBI. Over the years, the central bank has come up with various regulations to enable long-term sustainable growth in the sector and reduce systemic risks.

Demonetization (2016)

On November 8, 2016, the central government announced the demonetization of ₹ 500 and ₹ 1,000 notes, effectively removing in value terms approximately 86% of the currency from circulation. The move shook the MFI industry. The replacement of the demonetized currencies with new ₹ 500 notes and ₹ 2,000 notes was sluggish. As a consequence, the portfolio outstanding of the MFI industry suddenly slumped. Disbursements were the worst hit as they declined 29% in the second half compared with a 60% growth in the first half of the year.

The demonetization affected the asset quality of the MFIs, as PAR>90 days for the industry jumped to 10.47% as of March 2017 compared with 7.66% as of March 2016. Among various states, asset quality worsened especially in Uttar Pradesh, Maharashtra, Karnataka, and Madhya Pradesh. However, in these states as well, the deterioration in asset quality was largely on account of the poor performance of a few districts.

Farm loan waivers in Fiscal 2017 and Fiscal 2018

Uttar Pradesh, Maharashtra, Karnataka, and Punjab had announced farm loan waivers with varying coverage. This impacted the collections initially. However, efforts by MFIs to educate borrowers about the applicability of the scheme have led to a gradual pick-up in loan collection. Even the government and industry associations helped the MFIs by making announcements through media to create awareness among the borrowers.

State	Total registered farmers (million)	% of marginal and small farmers in total registered farmers (%)	Extent of loan waiver (Rs billion) *	Key features of the loan waiver
Uttar Pradesh	23.3	92.5	363.59	Crop loans up to ₹ 0.1 million per farmer taken by small and marginal farmers until March 31, 2016

State	Total registered farmers (million)	% of marginal and small farmers in total registered farmers (%)	Extent of loan waiver (Rs billion) *	Key features of the loan waiver
Maharashtra	13.7	57.3	340.22	Farm loans of all indebted farmers, regardless of their land holdings, whose loan accounts went into default from April 1, 2009 to June 30, 2016, with a cap of ₹ 0.15 million per farmer Farmers with loans more than ₹ 0.15 million were allowed to repay the loans in three instalments beyond June 30, 2017, with the government providing a one-time settlement by depositing the last instalment of ₹ 0.15 million in their accounts A bonus of 25% of debt, capped at ₹ 25,000, to farmers who regularly repaid their loans until July 31, 2017 A one-time settlement scheme for farmers, whose loans have been restructured, with the government contributing Rs 0.15 million per account
Karnataka	7.8	77.3	86.15	Crop loans of up to ₹ 50,000 per farmer, if borrowed from co-operative banks
Punjab	1.1	34.1	100.00	Crop loans of up to ₹ 0.2 million per farmer. The scheme mostly covered farmers with up to 5 acres of land Overall, outstanding institutional crop loans of households, where a farmer has committed suicide, were waived

*Notes: The number of operational holdings assumed as a proxy for the number of registered farmers; * reported by state governments in press statements; Source: National Sample Survey Office (NSSO) situation assessment survey of agricultural households (2013), CRISIL MI&A Research*

It led to a slowdown in lending, was mostly due to lower repayments caused by a disturbance in the repayment cycle in the above-mentioned states. However, the impact on the NBFC-MFIs was less as compared with banks due to being in regular touch with the customers.

Impact of floods in Kerala and Odisha (2018-2020)

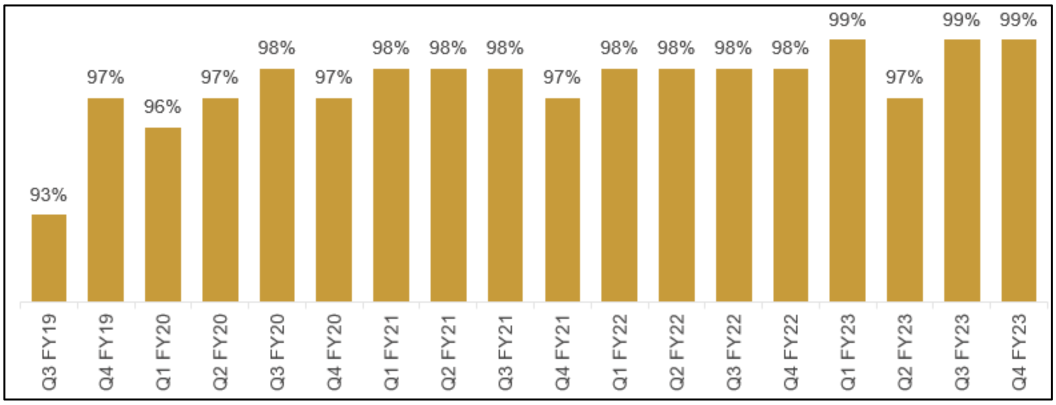
In 2018, severe floods hit southern India, with Kerala being one of the worst affected areas. This affected the state's microfinance industry adversely. The credit quality of most of the borrowers deteriorated due to the loss of income-generating businesses caused by the floods. In May 2019 and May 2020, Odisha witnessed its worst cyclones, Fani and Amphan. These impacted West Bengal and Odisha severely and resulted in a near-term spike in the PAR portfolio of the NBFC-MFIs and SFBs.

NBFC liquidity crisis

The liquidity crisis plaguing NBFCs in India had a minor ripple effect on micro-lenders. Lenders who relied on NBFCs for funding slowed down disbursement and started looking at different avenues to raise money. However, the impact of the crisis was not that profound since large NBFC-MFIs had a diversified funding mix and were able to leverage this to their advantage. The outstanding borrowings of the NBFC-MFIs logged a 22% CAGR between March 2021 and March 2023.

Impact of Covid-19 pandemic

The protracted nationwide lockdown to contain the spread of Covid-19 affected the income-generation ability and the savings of MFI borrowers. Typically, these borrowers have weaker credit profiles. About 50%-60% of the micro loans were under moratorium as of August 2020. Also, because of the nationwide lockdown, and several state-imposed lockdowns thereafter, the normal operations of MFIs — loan origination and collections — were a challenge, especially during the first few months after the onset of the pandemic. This had an adverse impact on the MFIs since their operations are field-intensive, involving personal interactions, such as home visits and physical collection of cash. Prior to the lockdown, many MFIs had managed to shore up their liquidity by March-end in Fiscal 2020. They had already done a majority of their collection before the lockdown. In fact, collection efficiency was largely intact, at 98%-99%. The MFIs also drew down bank loans for the purpose of on-lending in the last week of March, which is typically a period marked by high business activity. However, planned disbursements did not happen on account of the lockdown. Disbursements reached the pre-Covid level in the third and fourth quarters of Fiscal 2021 led by rural and semi-urban areas since the impact of the pandemic was relatively lower there.



Source: MFIN report, CRISIL MI&A Research

Key government steps that supported MFIs during the Covid-19 crisis

Reducing the debt servicing burden through a moratorium period: The RBI initially permitted lending institutions to allow a moratorium of three months on repayment of instalments for term loans outstanding as on March 1, 2020, and defer interest payments due on working capital facilities outstanding. The moratorium was further extended by another three months until August 31. However, the banks were instructed to provide 10% additional provisioning for availing of this benefit, which could be later adjusted against the provisioning requirements for actual slippages. These measures were intended to boost confidence in the economy and provide relief to the borrowers.

Refinance support from RBI: In April 2020, the RBI announced refinancing support of ₹ 250 billion to the National Bank for Agriculture and Rural Development, which provides support to NBFC-MFIs, rural regional banks and co-operative banks.

Loan interest subvention scheme: Under this scheme, the government provided 2% interest subvention to loans given under the Mudra-Shishu scheme. These loans of up to ₹ 50,000 ticket size are primarily given by the NBFC-MFIs to low-income groups.

PSL status for SFB lending to NBFC-MFIs: On May 5, 2021, the RBI announced that fresh lending by the SFBs to the NBFC-MFIs with asset size less than ₹ 5 billion for on-lending to individual borrowers will be classified under priority sector lending. This encouraged the flow of credit to smaller MFIs, which were facing relatively bigger funding-access challenges. The facility to the SFBs was made available up to March 31, 2022.

SLTRO: The RBI announced a special long-term repo operation ("**SLTRO**") programme to the tune of ₹ 100 billion for the SFBs to soften the impact of the second wave of Covid-19. The first auction took place on May 17, 2021. It continued in subsequent months until the amount was fully utilised. The amount borrowed from this scheme was to be utilised to lend to small business units and other unorganised sectors.

Credit Guarantee Scheme: On June 28, 2021, the Minister of Finance announced the Credit Guarantee Scheme through the MFIs for the first 2.5 million customers for a maximum tenure of three years. Three-fourth of the guarantee was provided to scheduled commercial banks for a ticket size up to ₹ 0.13 million to new or existing NBFC-MFIs. This addressed the severe cash flow distress the second wave inflicted on individuals and small businesses.

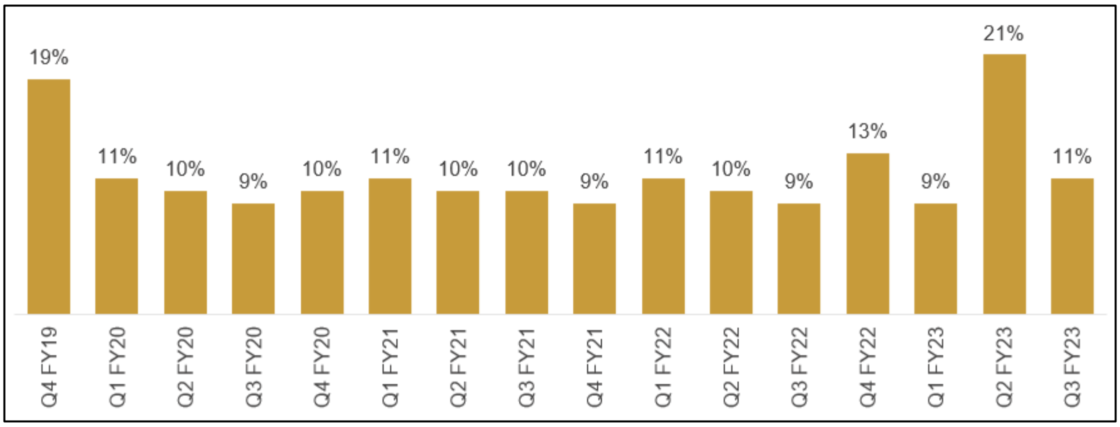
Adoption of technology in microfinance industry

The microfinance industry in India has witnessed a significant transformation with the advent of digital technology. Many players in the industry have adopted digital initiatives to enhance their operations and reach out to more customers. Some of the digital initiatives taken by players in the MFI industry include mobile-based applications, digitalisation of loan process, use of Aadhaar-based authentication, cashless transactions and digital financial education.

The MFIs have also partnered with fintech companies to enhance their digital capabilities and provide better services to customers. The fintech companies offer solutions such as digital payments, credit scoring and loan management systems that the MFIs can leverage to improve their operational efficiency and expand their reach.

Cashless disbursements and collections have become increasingly popular in the microfinance industry in India, as they promote transparency, reduce cash handling costs and improve customer experience.

Trend in cashless collections



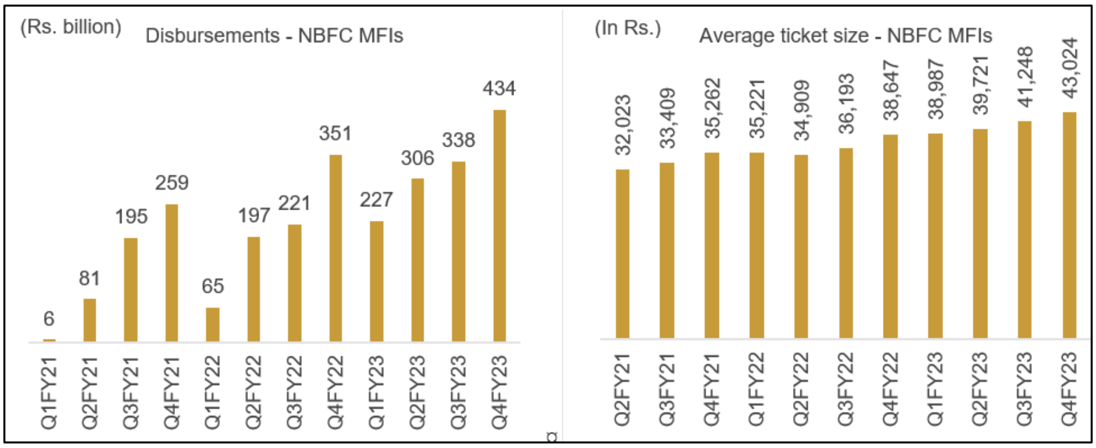
Source: MFIN report, CRISIL MI&A Research

NBFC-MFIs' disbursements grew 57% in Fiscal 2023

In Fiscal 2021, the disbursement witnessed a slack on account of the nationwide lockdown imposed to contain the pandemic, which brought the economic activities to a grinding halt in the first half. In the second half, with activities resuming, the credit outflow picked up. Further, the first quarter of Fiscal 2022 saw the impact of the second wave of the pandemic leading to localised lockdowns. The growth rebounded in the second half and pace continued during Fiscal 2023 with aggregated disbursement rising to ₹ 1,306 billion (57% year-on-year growth).

The growth was supported by rural economic revival, improved collection efficiency, implementation of the RBI's new regulatory framework, increased penetration and bigger average ticket size of disbursement which grew 11% from ₹ 36,647 in the fourth quarter of Fiscal 2022 to ₹ 43,024 in the fourth quarter of Fiscal 2023.

Increasing average ticket size and overall economic recovery support disbursements



Source: CRISIL MI&A Research, MFIN

Outlook for Indian microfinance industry

Rising penetration to support continued growth of the industry

With economic revival and unmet demand in rural regions, CRISIL MI&A Research expects the overall MFI portfolio size to reach ₹ 5,451 billion by the end of Fiscal 2026.

CRISIL MI&A Research expects the MFI industry to log 16% CAGR between Fiscal 2023 and Fiscal 2026. Key drivers for the superior growth outlook include increasing penetration into the hinterland and expansion into newer states, faster growth in the rural segment, increase in average ticket size and higher usage of support systems such as credit bureaus. The presence of self-regulatory organisations, such as MFIN and Sa-Dhan, is also expected to support the sustainable growth of the industry going forward. Moreover, household credit is a huge untapped market for the MFI players. The country has seen household credit penetration *via* MFI loans rising, but it is still on the lower side.

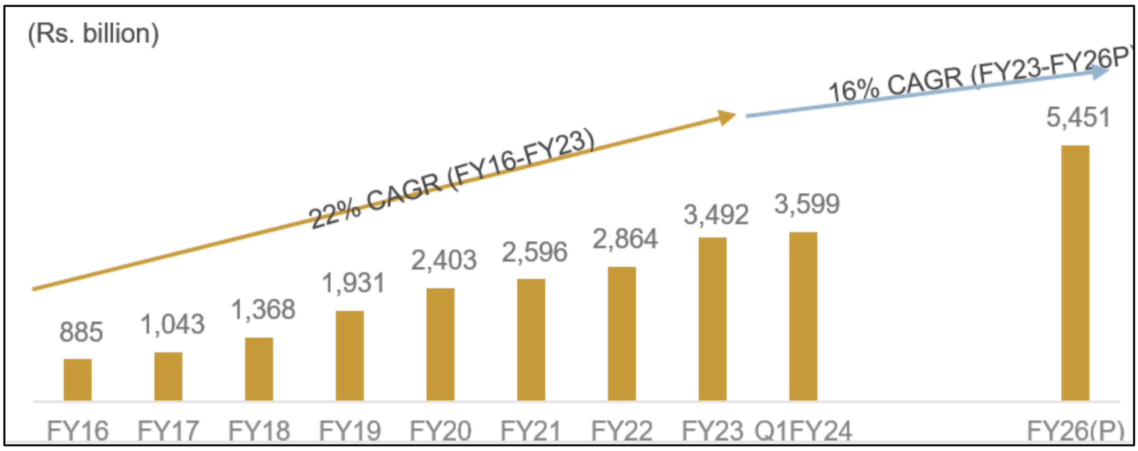
Key enablers for the microfinance industry growth

Digitalisation is expected to bring down costs, improve collection efficiency and profitability for the MFIs. CRISIL MI&A Research expects the lower cost of servicing customers, better productivity and lower credit costs through the use of technology will help the MFIs improve their profitability

The MFIs have built a large distribution network in the urban and rural India. Now, these MFIs are leveraging this network to distribute financial and non-financial products, including insurance and product financing of other institutions to members at a cost lower than competition

New regulations will help further deepen the penetration of microcredit in the country. With enhancement of the household income threshold, the MFIs are expected to reach many more households. The regulations are also expected to create a level playing field, which will increase the competition, in turn, benefitting the end customer.

MFI industry portfolio outstanding to log 16% CAGR between Fiscal 2023 and Fiscal 2026

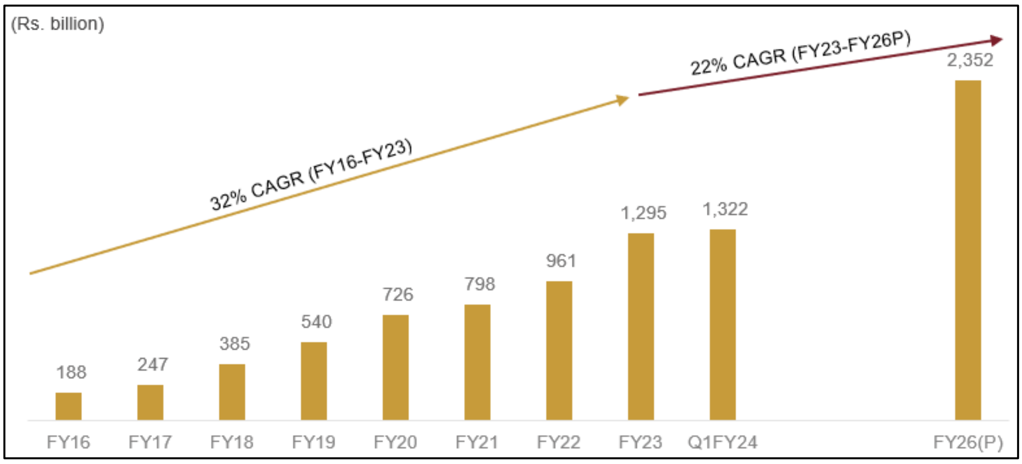


Note: Fiscal 2026 portfolio outstanding estimated as per CRISIL MI&A. P: Projected.
Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups. Source: CRIF Highmark, company reports, industry and CRISIL MI&A Research

NBFC-MFI growth rate fastest amount other player groups

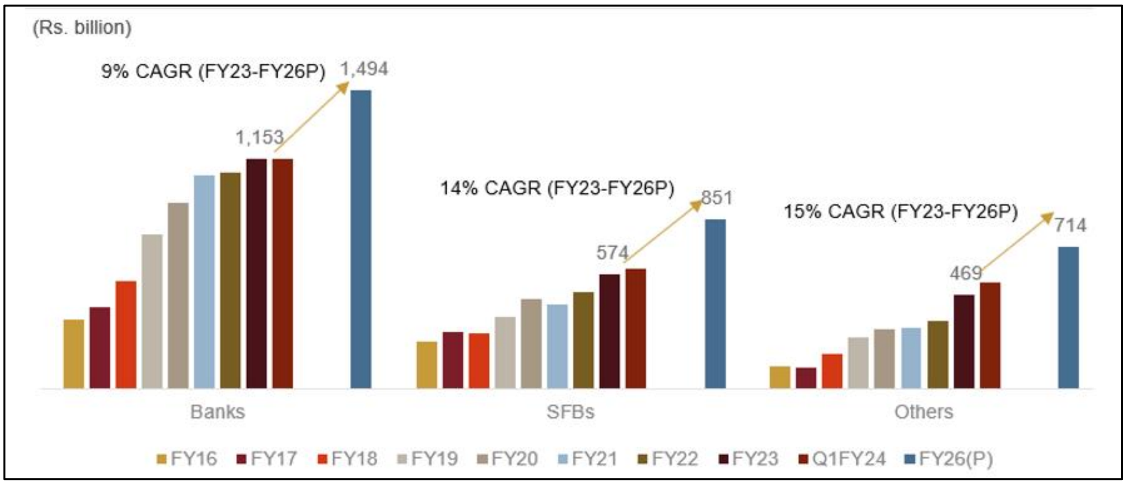
The portfolio outstanding of the NBFC-MFIs grew at a healthy CAGR of 32% between Fiscal 2016 and Fiscal 2023 to Rs 2,352 billion. While the growth of the MFI industry and NBFC-MFI portfolio is considerably lower than their historical growth, incremental industry growth would be driven by consistent expansion in the client base of the MFIs and increased penetration into rural areas. The historical growth rate for the NBFC-MFIs has been faster than other player groups in the industry. Going ahead, CRISIL MI&A Research expects the NBFC-MFIs to continue to outplace other MFI lenders. The NBFC-MFIs are expected to gain market share in the medium term with a healthy double-digit CAGR of 22% between Fiscal 2023 and Fiscal 2026. The microfinance sector in India is regulated by the RBI. The RBI's new regulatory regime for microfinance loans effective April 2022 has done away with the interest rate cap applicable on loans given by the NBFC-MFIs, and also supports growth by enabling players to calibrate pricing in line with customer risk.

Portfolio outstanding of NBFC-MFI industry to grow faster than industry



Notes: P: Projected; Data includes NBFC-MFI players; Source: CRIF Highmark, CRISIL MI&A Research

Projected portfolio outstanding of other players

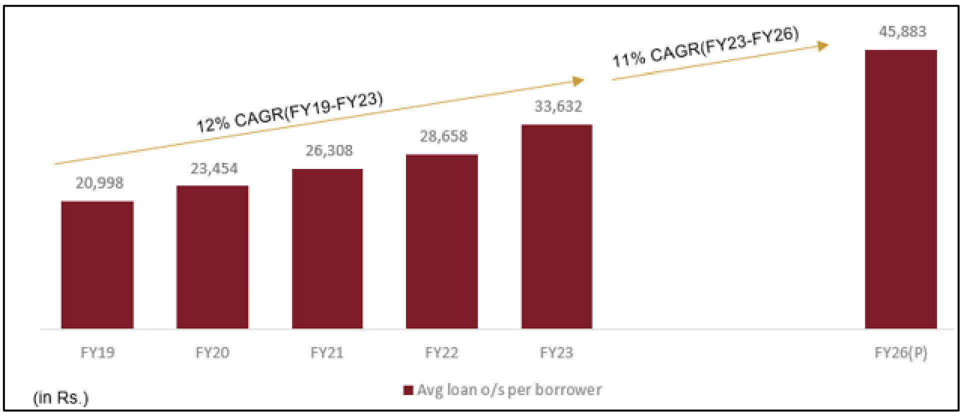


Notes: P: Projected
Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups.
Source: CRIF Highmark, CRISIL MI&A Research

Factors contributing to the growth of NBFC-MFIs

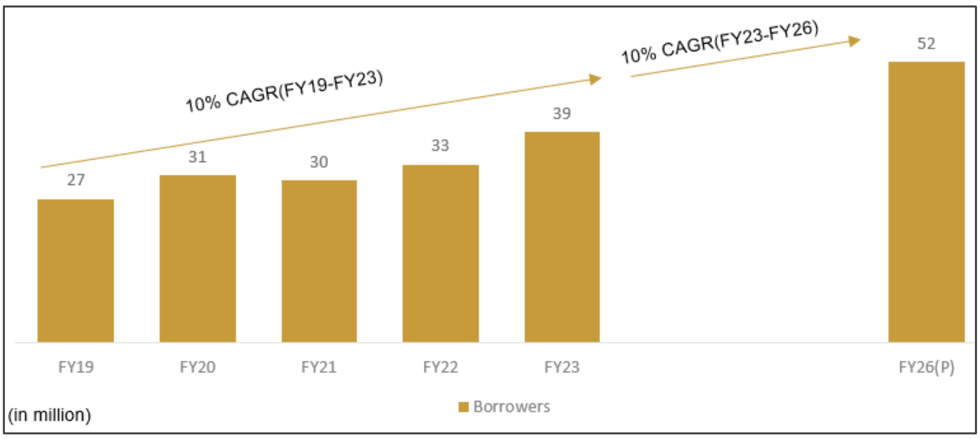
The average loan outstanding per borrower for NBFC-MFIs is expected to rise to ₹ 45,883 in Fiscal 2026, up from ₹ 33,632 in Fiscal 2023, indicating a CAGR of 11%. Concurrently, the number of borrowers for NBFC-MFIs is forecasted to reach 52 million in Fiscal 2026, up from 39 million in Fiscal 2023, with a CAGR of 10%.

Average loan outstanding per borrower of NBFC-MFI



Note: Calculated by AUM as of end of financial year divided by number of clients.
Source: MFIN, CRISIL MI&A Research

Borrower growth for NBFC-MFIs



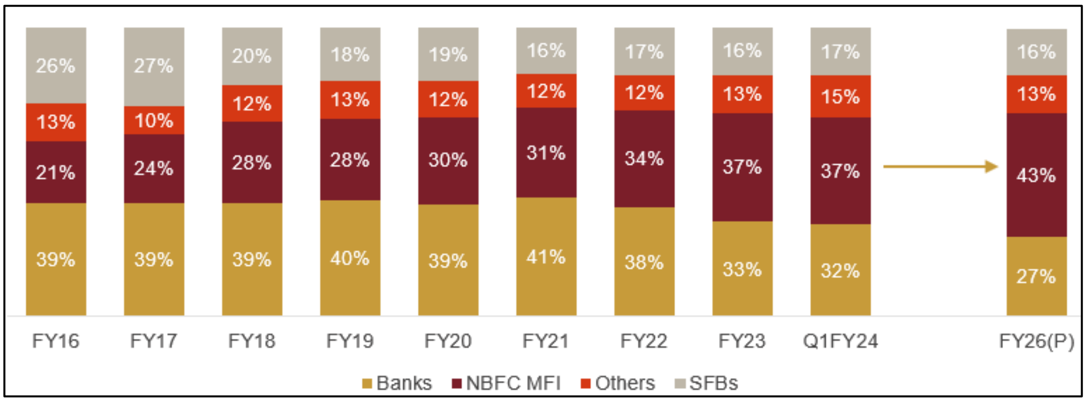
Source: MFIN, CRISIL MI&A Research

NBFC-MFIs to gain market share in portfolio outstanding between Fiscal 2023 and Fiscal 2026

Banks had the largest share in the microfinance industry in Fiscal 2022, as they lend under priority sector lending norms. However, NBFC-MFIs have been growing aggressively. Their loan books logged 32% CAGR between Fiscal 2016 and Fiscal 2023, compared with 19% for banks. The focused lending approach for NBFC-MFIs, along with support from investors (impact and PE funds), have been critical post pandemic. CRISIL MI&A Research expects this trend to continue in the medium term with NBFC-MFIs' growth continuing to outpace that of banks.

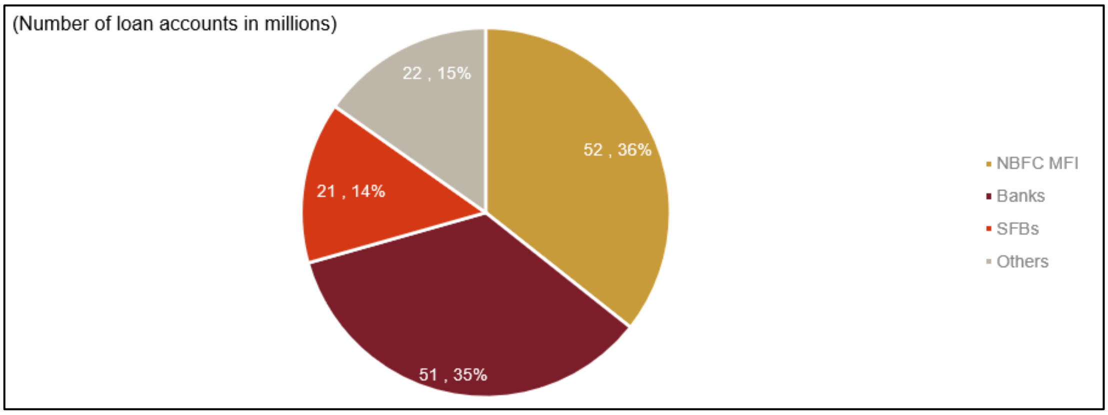
As of Fiscal 2023, NBFC-MFI had the highest market share at 37% of overall MFI portfolio outstanding. Moreover, the RBI introduced a revised regulatory framework effective October 1, 2022, which grants greater flexibility to NBFC-MFIs. This regulatory update is expected to stimulate growth in the NBFC-MFI segment and further enable it to gain market share from banks. The share of NBFC-MFIs is expected to increase to 43% by Fiscal 2026.

Market share of MFI lenders by portfolio outstanding



Note: The amounts are as of end-financial year; P: Projected;*Source: CRIF Highmark, CRISIL MI&A Research*

Market share of MFI lenders by loan accounts as of the first quarter of Fiscal 2024



Note: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups.
Source: CRIF Highmark, CRISIL MI&A Research

Key success factors

Ability to attract funds/raise capital and maintain healthy capital position

The microfinance industry has seen rapid growth over the past few years owing to small ticket sizes and doorstep disbursement. Despite this, a large portion of the market remains underpenetrated, making it necessary for MFIs to raise funds at regular intervals to sustain growth. This remains a challenge for several MFIs owing to perceived risk of the borrower segment, their susceptibility to socio-political issues, and volatility in asset quality. The ability of MFIs to raise funding from diverse sources and maintain a capital position much higher than the prescribed regulatory minimum is vital for long-term sustainability.

Geographically diversified portfolio helps MFIs mitigate risks

A large, well-diversified portfolio in different geographies enables players to mitigate risks associated with a concentrated portfolio. Apart from this, a wider scale of operation helps them reduce operating expenses as a percentage of outstanding loans. Rural areas are still under-penetrated in India; hence, players operating in/focused on these areas are likely to see faster growth in their portfolios.

Ability to control asset quality and ageing of NPAs

The vulnerability of MFI portfolios to local issues and events that impact the repayment ability of borrower households makes it critical for them to have a strong hold on asset quality and regularly engage with borrowers to control the ageing of NPAs. MFIs, thus, need to put in place methods and use analytics to understand and predict the quality of the portfolio, and minimize the frequency and size of asset quality-related risks.

MFIs are focused on technology enablement

MFIs play a crucial role in providing financial access to underserved segments in the country. There is a huge potential for providing products and services to consumers at the bottom of the pyramid. Considering the challenges, and also the latent growth opportunities in meeting consumer needs, it would be beneficial for MFIs to enter into partnerships with fintech companies and tap the digital medium for financial inclusion.

Digitalisation to bring down costs, improve collection efficiency and profitability for MFIs

Digitalisation has impacted almost all aspects of the financial services industry. However, it is far more critical to the MFI industry as lower operating cost can result in higher financial inclusion and increased benefits for customers. The use of technology has helped MFIs grow at a fast pace, improve efficiency, reduce cash usage and turnaround time, develop new products, provide better services to customers, and use analytics for portfolio monitoring and credit appraisal. According to the MFIN report, about 42 out of 49 NBFC-MFIs have reported 100% of their disbursement through cashless mode in the fourth quarter of Fiscal 2023. CRISIL MI&A Research expects that the lower cost of servicing customers, better productivity, and lower credit costs through the use of technology will help MFIs improve their profitability.

Credit risk mitigation by credit bureaus

Credit bureaus such as Equifax and CRIF Highmark collect data from several MFIs and build a comprehensive database that captures the credit history of borrowers. These databases are updated weekly. The presence of credit bureaus ensures that MFIs have access to more data on their borrowers, helping them make informed lending decisions over the long run.

Competitive dynamics

In the ever-evolving landscape of the financial sector, NBFC-MFIs have emerged as a resilient force, poised to perform better than other MFI lenders due certain key aspects:

SFBs Focus on Non-MFI Portfolio: While SFBs diversify their financial services beyond microfinance, NBFC-MIs specialize in catering to the financial needs of the underserved populations. This focused approach allows NBFC-MFIs to develop a deeper understanding of their target borrowers base, Which in turn help them formulating lending strategies tailor made to microfinance sector. Hence, NBFC-MFIs are better equipped to navigate the unique challenges of microfinance lending.

High cost-to-income ratio for SFBS: SFBs often grapple with a relatively high cost-to-income ratio compared to NBFC-MFIs. The broader scope of services offered by SFBs requires a more extensive infrastructure, a larger workforce, and higher operational costs. SFBs are also subject to more regulatory constraints. Whereas, NBFC-MFIs, with their microfinance focused business model, can maintain leaner operations, leading to a more favorable cost-to-income ratio. This cost-efficiency enhances the sustainability of NBFC-MFIs, making them better positioned to withstand economic fluctuations.

Deeper Rural Distribution Networks: NBFC-MFIs boasts extensive rural distribution networks having invested substantial time and resources focusing on rural areas. This allows them to have deeper penetration in rural areas than traditional banks. This focused local presence also increases their ability to assess and mitigate risks associated with lending to low-income borrowers. NBFC-MFIs robust rural networks are invaluable assets that contribute significantly to their superior performance when compared to other MFI lenders.

Higher Flexibility: NBFC-MFI have the ability to engage in direct assignment transactions. Direct assignment allows NBFC-MFIs to transfer their loan portfolios to banks or other financial institutions, freeing up capital for further lending. This provides NBFC-MFIs with higher liquidity and better risk management capabilities, which are particularly advantageous during economic slowdowns or unforeseen crises.

CRISIL MI&A Research expects NBFC-MFIs to grow at a much faster rate vis-a-vis SFBs, on account of increasing focus of the latter towards product suites beyond the MFI loan portfolio and improving liquidity for NBFCs in the system.

Comparison of different participants in microfinance lending business

	Scheduled commercial banks	SFBs	MFIs
Priority sector lending			
Targeted lending to sectors	• 40% for priority sector lending of their adjusted net bank credit (ANBC) or equivalent off-balance-sheet exposure (whichever is higher) • 18% of ANBC to agriculture • 7.5% of ANBC to micro-enterprises • 12% of ANBC to weaker sections	• 75% for priority sector lending of their ANBC • 18% of ANBC to agriculture • 7.5% of ANBC to micro-enterprises • 12% of ANBC to weaker sections • At least 50% of loan portfolio should constitute loans and advances of up to ₹2.5 million	• 75% of loans should be qualifying microfinance assets • Income generation loans > 50% of total loans
Prudential norms			
Capital adequacy framework	• Minimum Tier 1 capital: 7% • Minimum capital adequacy ratio: 9%	• Minimum Tier 1 capital: 7.5% • Minimum capital adequacy ratio: 15%	• Tier 1 capital > Tier 2 capital • Minimum capital adequacy ratio: 15%
Margin cap	• No margin cap	• No margin cap	• No margin cap
CRR / SLR	• Maintenance of CRR/SLR mandatory	• Maintenance of CRR/SLR mandatory	• No such requirement
Leverage ratio	• Minimum leverage ratio of 4%	• Minimum leverage ratio of 4%	• No such requirement
Liquidity coverage ratio/ net stable funding ratio (NSFR)	• Mandatory requirement to maintain liquidity coverage ratio	• Minimum liquidity coverage ratio of 100% by January 1, 2021 • NSFR will be applicable to SFBs on par with scheduled commercial banks as and when finalised	• No such requirement
Funding			
Deposits	• Primarily rely on deposits for funding requirements •	• Primarily rely on deposits for funding requirements • Deposit ramp-up will take time	• Cannot accept deposits
Bank loans/ market funding	• Access to broader array of market borrowings	• Access to broader array of market borrowings • No access to bank loans	• Diversified funding sources, including bank loans, short- and long-term market borrowings; funding from NABARD, MUDRA loans, among others
Products			
Products offered	• Full spectrum of banking, savings, investment and insurance products	• Can offer savings and investment products apart from credit products/loans • Can act as corporate agent to offer insurance products • Cannot act as business correspondent to other banks	• Can act as a business correspondent to another bank and offer savings, deposits, credit and investment products • Can act as a corporate agent to offer insurance products

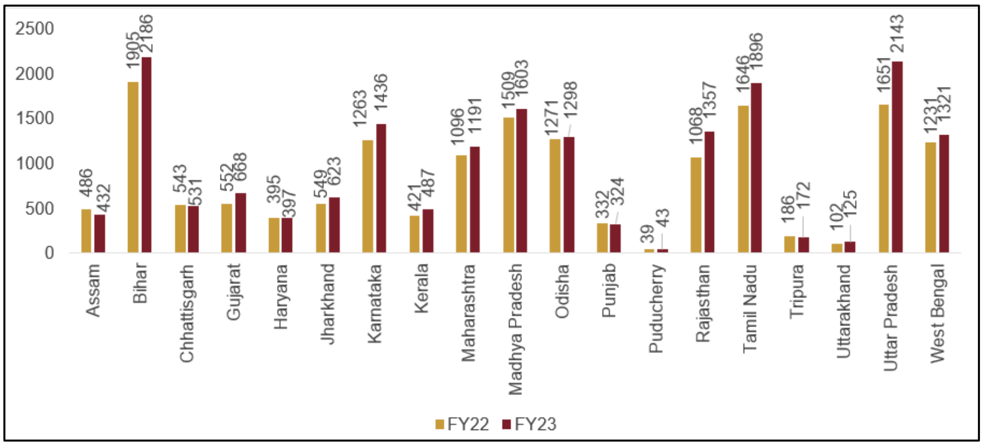
Source: RBI, CRISIL MI&A Research

Though the above regulations related to MFIs seem to be less relaxed than others, they provide an opportunity to MFIs to maintain a singular focus on the customers they cater to and the products they offer. The processes and systems can be built more efficiently and customised to the requirements of the customers, and deeper local understanding can be developed to handle nuances of different geographical areas. Another major advantage is the institution can be more flexible, and react and adjust to various events faster. Also, being under the purview of the RBI provides a separate identity to the institutions, and policy measures related to this segment gets due focus.

Players tapping newer states and districts to widen client base

CRISIL MI&A Research finds a significant jump in the number of MFIs operating in Uttar Pradesh, Rajasthan and Gujarat in recent years. The total number of branches in these states has significantly increased in Fiscal 2023 compared to Fiscal 2022, leading to a jump in their portfolio outstanding. The availability of borrower credit related data from credit information companies has also ensured that MFIs have access to more data on borrowers, helping them make informed lending decisions.

Total branches of NBFC-MFIs in each state/UT



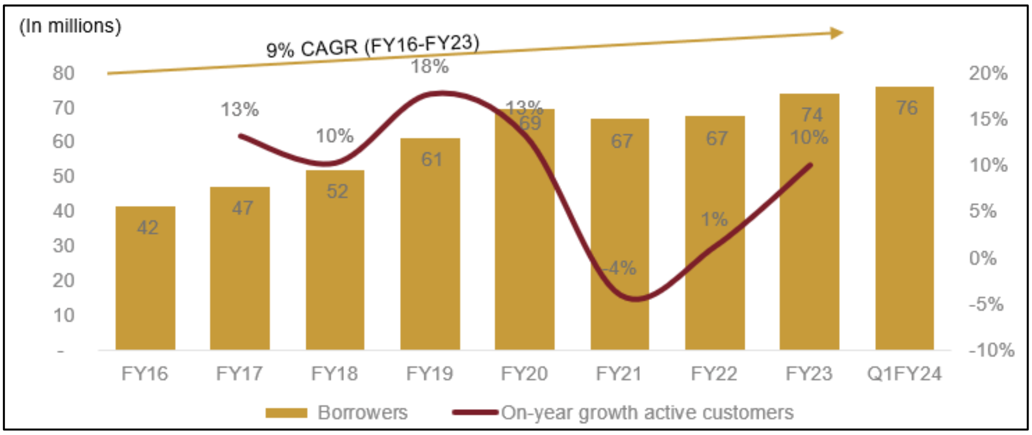
Note: Data includes only NBFC-MFI players and states where ten or more MFIs are operating
Source: MFIN, CRISIL MI&A Research

In the past few years, many MFIs have opened branches in untapped districts, thus increasing their penetration. In states where the presence of MFIs and banks is strong, ticket size has increased as well. CRISIL MI&A Research expects penetration to deepen going forward, which will further drive growth. Madhya Pradesh, Bihar and Tamil Nadu are states with large unserved populations and hence, provide an opportunity for existing players to improve their penetration and market share.

Increasing number of borrowers and loans accounts of MFIs

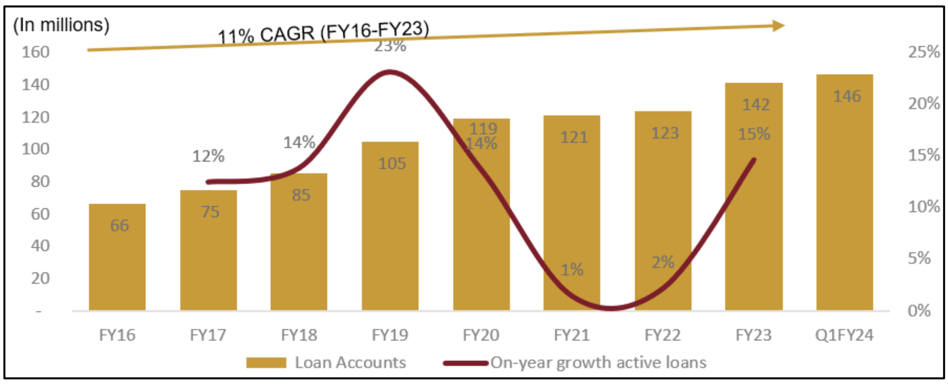
Over the past seven years, the microfinance sector has experienced moderate growth, with the borrower base expanding at 9% CAGR between Fiscal 2016 and Fiscal 2023. In Fiscal 2023, the total number of borrowers reached 74 million. Concurrently, the number of loan accounts logged a moderate 11% CAGR, reaching a total of 142 million.

Number of active customers of MFIs



Source: CRIF Highmark, CRISIL MI&A Research

Number of active loan accounts of MFIs

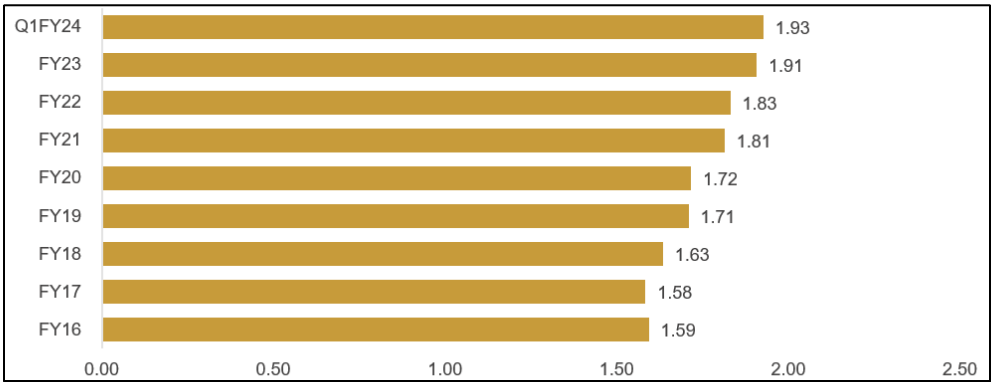


Source: CRIF Highmark, CRISIL MI&A Research

Increasing average number of loan accounts per borrower

As the number of loan accounts has grown at a faster rate than the number of borrowers, there has been a consistent upward trend in the average number of loan accounts held by each borrower. This figure rose from 1.59 in Fiscal 2016 to 1.91 in Fiscal 2023.

Average number of active loan accounts per active borrower

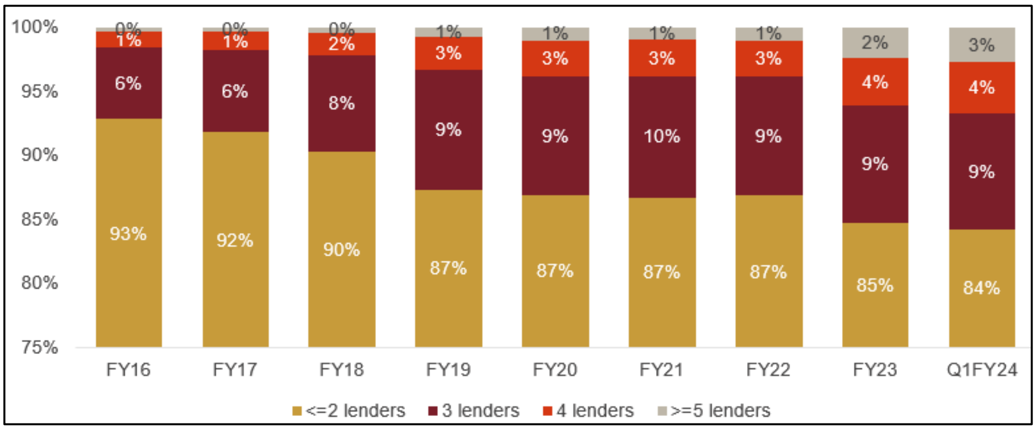


Source: CRIF Highmark, CRISIL MI&A Research

Percentage of active MFI borrowers with loans from more than two lenders increased to 16% in June 2023

The trend of borrowers taking MFI loans from multiple lenders has shown a steady rise over the years. In June 2023, approximately 16% of borrowers held active loans from more than two lenders, a significant increase compared to the 7% recorded in March 2016. This data illustrates a growing demand for MFI loans among borrowers. Moreover, the elimination of restrictions on NBFC-MFIs regarding lending to multiple borrowers has led to a rise in the proportion of borrowers utilizing multiple MFI loans. Despite the change in regulations, 84% of borrowers have loans from two or less than 2 lenders.

Percentage of borrowers with MFI loan from more than two lenders



Note: Data includes data for banks' lending through JLG, small finance banks (SFBs), NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups (SHG). Source: CRIF Highmark, CRISIL MI&A Research

Average ticket size to expand due to higher loan eligibility under the new regulatory framework, but at a slower pace

The average ticket sizes of both banks and NBFCs have notably shifted in recent years. Specifically, NBFCs have experienced a consistent increase in their average ticket size, while banks saw a decline in theirs up until the first half of Fiscal 2023. This changing trend has allowed NBFCs to capture a larger market share compared with banks.

Average ticket size	Q4Fiscal 2021	Q4Fiscal 2022	Q1Fiscal 2023	Q2Fiscal 2023	Q3Fiscal 2023	Q4Fiscal 2023
NBFC-MFI	35,262	38,647	38,987	39,721	41,248	43,024
Growth for NBFC-MFI		9.60%	0.88%	1.88%	3.84%	4.31%
NBFCs	41,306	42,882	44,204	43,438	44,485	46,561
Growth for NBFCs		3.82%	3.08%	-1.73%	2.41%	4.67%
Banks (JLG)	43,699	39,514	37,342	37,231	38,458	42,000
Growth for Banks (JLG)		-9.58%	-5.50%	-0.30%	3.30%	9.21%
SFBs	37,037	45,238	45,281	44,631	47,162	49,174
Growth for SFBs		22.14%	0.10%	-1.44%	5.67%	4.27%

Note: Amounts are in rupees.
Source: MFIN, CRISIL MI&A Research

Portfolio outstanding of NBFC-MFIs is on the rise, specifically within the higher ticket size segment

Portfolio outstanding has risen over the years in the higher ticket sizes for the overall industry. This highlights a notable trend, particularly for NBFC-MFIs, with several implications for both the microfinance sector and the broader financial ecosystem. Several factors have contributed to the increase in portfolio outstanding for NBFC-MFIs in higher ticket size ranges:

Diversification of financial services: NBFC-MFIs have been expanding their product offerings to cater to a more comprehensive range of financial needs of their clients

Growing entrepreneurship: The rise of entrepreneurship and small businesses could be driving demand for larger loans. Entrepreneurs often require more substantial capital injections to scale up their ventures

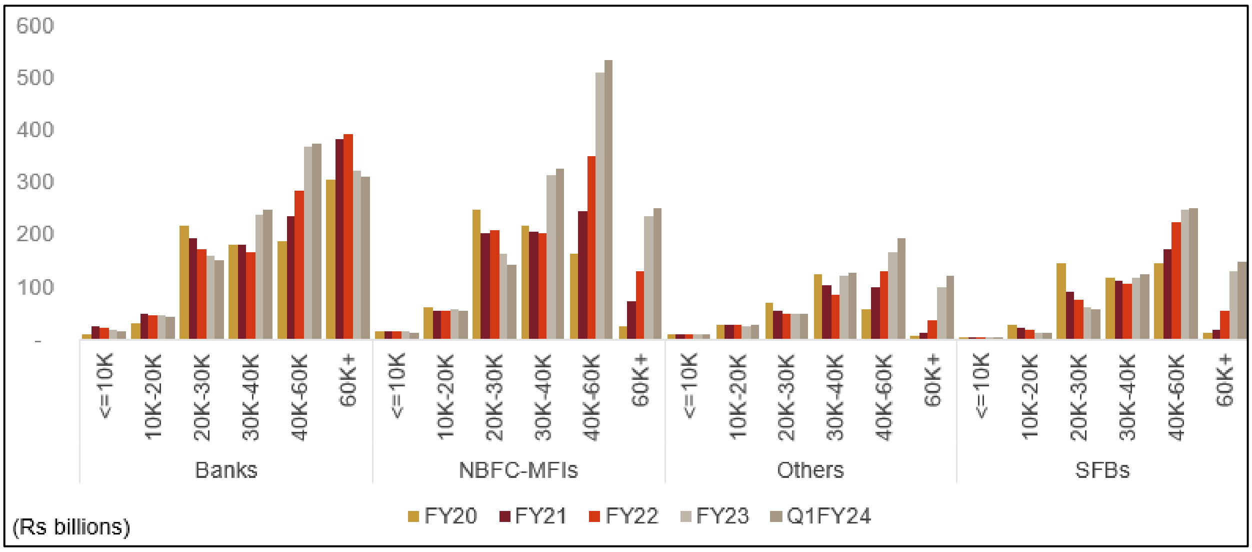
Enhanced risk management: NBFC-MFIs have been adopting more sophisticated risk assessment and management techniques, allowing them to comfortably extend larger loans while minimising credit risks

Regulatory changes: Changes in regulatory frameworks and government initiatives have encouraged NBFC-MFIs to explore higher ticket size loans as a means to promote economic development and financial inclusion

Investor interest: Attracting investors interested in supporting the growth of the microfinance sector is also driving NBFC-MFIs to diversify their loan portfolios by offering higher ticket size loans

Increase in portfolio outstanding for NBFC-MFIs in the higher ticket sizes thus signifies a dynamic shift in the microfinance industry. It reflects the industry's adaptability to changing customer needs and preferences, potentially contributing to greater financial inclusion and economic development in the regions where these institutions operate. However, it also underscores the importance of prudent risk management and regulatory oversight to ensure the sustainability and stability of this evolving sector.

Portfolio outstanding for each ticket size bucket across lenders



Source: CRIF Highmark, CRISIL MI&A Research

In India, microfinance plays an important role in delivering credit to people to the bottom of the economic pyramid. Owing to its grassroot-level connect, it can support income-generating activities and livelihoods in both rural and urban geographies. Further, microfinance acts as a potential tool for empowering women who constitute the largest part of its borrower base. The essential features of microfinance loans are that they are small amounts, have short tenures, are extended without collaterals and the frequency of loan repayments is greater than that of traditional commercial loans. These loans are generally granted for income-generating activities, but also provided for consumption, housing and other purposes. Thus, MFI operations have traditionally been cash-intensive and have become very aggressive in rural areas, especially after demonetization.

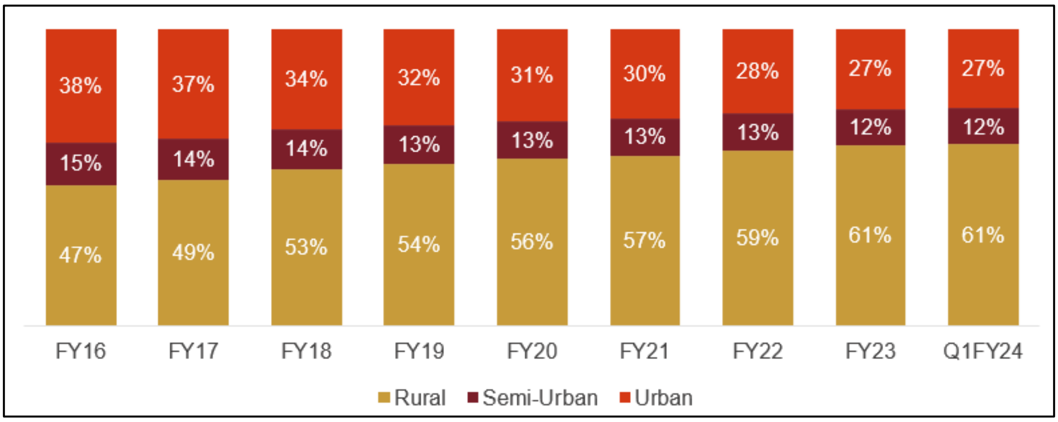
Rural segment to drive MFI business

The share of rural segment in MFI business to remain higher than urban and semi urban at 61%. The demand from this segment expected to rise. Despite 65% of population and 47% of GDP contribution, the rural segment's share in credit remains low at 9% of bank credit outstanding as of March 2023, thereby opening up a huge opportunity for savings and loan products.

With the government's focus on financial inclusion, financial institutions are opening new branches in unbanked areas. As of June 2023, the share of rural segment in overall MFI portfolio increased to 61% of the portfolio outstanding from 47% in Fiscal 2016. In case of NBFC-MFIs, the rural share increased to 65% from 51%. This is due to less competition and lower credit penetration.

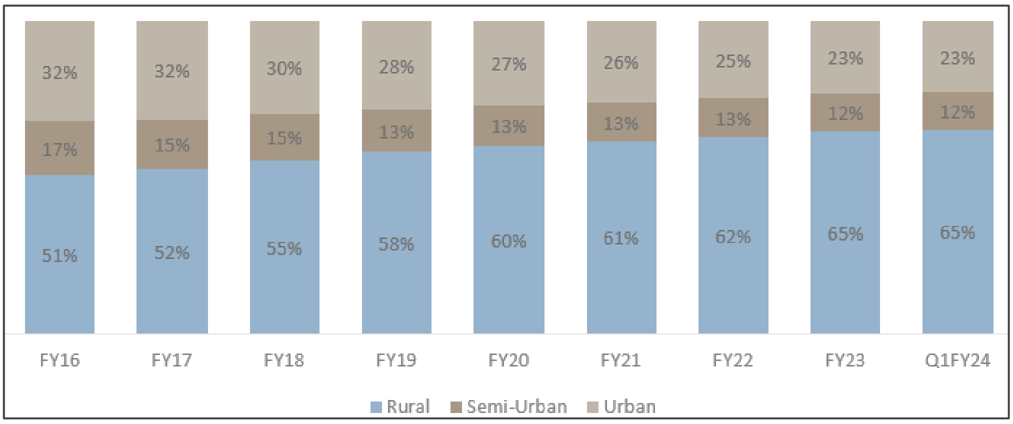
The significant under-penetration of credit in rural areas offers strong potential for growth. Given the relatively deeper reach, existing client relationships and employee base, MFIs are well placed to address this demand which is currently being met by informal sources such as local money lenders.

Rural regions account for 61% share in overall MFI portfolio outstanding as of June 2023



Note: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups (SHG).Source: CRIF Highmark, CRISIL MI&A Research

Rural accounts for 65% share in NBFC-MFI portfolio outstanding as of June 2023



Source: CRIF Highmark, CRISIL MI&A Research

Advantages in rural focused business

Huge market opportunity – Despite its large contribution to GDP of 47%, the share of rural areas is abysmally low at 9% of total credit (as of March 2023). This provides a huge market opportunity for MFI players present in the segment.

Less competition – In remote areas, informal credit channels have a major presence. In other words, there is a huge section of the unbanked population with low competition. MFI players are better placed to tap this market.

Geographic diversification – With increased focus on diversifying their portfolio and expanding reach, MFI players are expected to log higher growth as they tap newer geographies.

Loan recovery and control on ageing NPAs – MFI players are experienced in collecting and monitoring default risk. This will help them keep asset quality under check.

Lower delinquency rates – Asset quality of rural regions is better than urban and semi-urban since Fiscal 2017, due to better risk profile of customers and credit discipline.

Challenges in rural-focused business

The microfinance industry mainly caters to the poor or marginalized section of the society, because of which it faces inherent challenges, especially in rural areas:

High cost of reaching the customers: Providing microfinance loans in rural India requires reaching people in remote and sparsely populated regions, where deploying manpower and requisite infrastructure for disbursing loans and recovery can often be expensive. The high cost of reaching the customers and the small volume and ticket size of transactions lengthens the breakeven period.

Lack of financial awareness: Lack of financial and product awareness is a major challenge for institutions in rural areas. They are faced with the task of educating people about the benefits of financial inclusion, product and services offered by them, and need to establish trust before selling a product.

Vulnerability of household income to local developments: Uncertainty and unpredictability faced by low-income households and vulnerability of their incomes to local developments affect their repayments.

High proportion of cash collections: Despite a large proportion of loans disbursed through the cashless mode, collections in unbanked and rural areas are still in cash. This leads to increased time spent on reconciliation, risk involved in handling cash, and higher turnaround time from the financier's perspective.

That said, the rural economy proved to be resilient during the pandemic. India witnessed above-normal, timely and largely well-distributed monsoon since 2019, thus benefitting the agriculture industry, in particular, and rural India in general. Further, increase in the agriculture credit target and allocation of infrastructure fund for the development of Agriculture Produce and Livestock Market Committee reiterate the government's commitment to boost rural India's growth.

NBFC-MFI regulatory guidelines

Potential harmonisation of regulations for MFI lending

In February 2021, the RBI outlined the need to harmonise regulations governing the MFI lending industry and proposed a revamped framework. A potential harmonisation of regulations for MFI lending will positively impact NBFC-MFIs as banks and SFBs will also be governed by the same regulations, hence eliminating the competitive edge they currently enjoy. The key proposals include (i) a common definition of microfinance loans for all regulated entities, (ii) a Board-approved policy for household income assessment, (iii) capping the outflow on account of repayment of loan obligations of a household to 50% of the household income, (iv) greater flexibility of repayment frequency for all microfinance loans, (v) no pre-payment penalty or requirement of collateral, (vi) introduction of a standard simplified fact sheet on pricing of microfinance loans for better transparency, (vii) alignment of pricing guidelines for NBFC-MFIs with guidelines for NBFCs, and (viii) withdrawal of guidelines currently applicable to only NBFC-MFIs, including withdrawal of the two-lender norm for lending by NBFC-MFIs and withdrawal of all pricing-related instructions applicable to NBFC-MFIs.

The new regulatory regime ensures a level playing field and benefits NBFC-MFIs

In its master directions on microfinance loans released in March 2022, the RBI has done away with the interest rate cap applicable on loans given by NBFC-MFIs. Entities providing microfinance loans will have to put in place a Board-approved policy for the pricing of loans. The policy should include the interest rate model, the range of spread of each component for various categories of borrowers, and the interest rate ceiling and all other charges on MFI loans. With microfinance loans provided by NBFC-MFIs and banks/SFBs now being subject to the same rules unlike the earlier regime, the RBI has ensured a level playing field for both NBFC-MFIs and banks/SFBs.

The increase in annual household income cap for microfinance borrowers (to ₹ 300,000 in both urban and rural areas), removal of the two-lender norm for lending by NBFC-MFIs, and providing NBFC-MFIs greater flexibility to offer non-MFI loans (MFI loans should account for 75% of total assets for NBFC-MFIs, as per the new regulations) will increase market opportunities and enable NBFC-MFIs to achieve a more balanced portfolio.

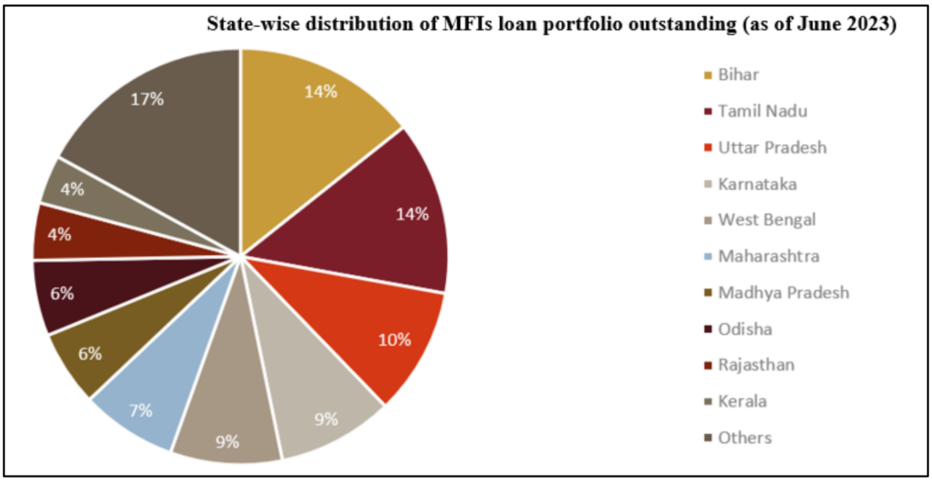
On the flip side, the increase in annual household income threshold could increase the maximum permissible indebtedness limit of borrowers from ₹ 125,000. While limit of 50% of total household incomes on the loan repayment obligation will act as a safeguard against excessive leveraging, the increased permissible debt limit and possibility of divergences in household income assessment criteria across lenders still pose risks. Proper data infrastructure would be required to analyse and estimate household income, especially in rural areas. Following RBI's revised regulations for MFI loans effective October 1, 2022, some MFIs have increased interest rates for borrowers by 150-200 bps, especially for customers with untested credit behaviour.

CRISIL MI&A Research expects the rates to slowly stabilize as MFIs begin to adapt to the new regime and put in place processes to assess household income, leverage and risk capture based on the new guidelines. Competitive forces would prevent a substantial spurt in rates for MFI customers, especially those with a good repayment track record and credit behaviour. The key changes in the regulatory framework and their potential impact on NBFC-MFIs are captured below:

Area of regulation	Earlier regulations		New regulations (effective April 1, 2022)
	For NBFC-MFIs	For banks and SFBs	For all regulated entities*
Loan pricing	Margin cap at 10% for large MFIs (loan portfolios > ₹ 1 billion) 12% for small MFIs (loan portfolios < ₹ 1 billion)	No restrictions for banks and SFBs	No pricing cap. Underwriting of loans to be done on risk-based analysis, and a risk premium to be charged based on the borrower. A Board-approved policy for pricing of loans to be put in place. The policy should include the interest rate model, the range of spread of each component for various categories of borrowers, and the interest rate ceiling and all other charges on MFI loans.
Processing fees	Not more than 1% of the gross loan amount		
Qualifying criteria	85% loans unsecured	Have to meet the target set for priority sector loans	The minimum requirement of microfinance loans has been revised to 75% of an NBFC-MFI's total assets. The maximum limit on microfinance loans for NBFCs other than NBFC-MFIs has been revised to 25% of the total assets from 10% previously.
Household income	Rural areas: ₹ 125,000 per annum Urban areas: ₹ 200,000 per annum	No restrictions for banks and SFBs	Annual household income: Up to ₹ 300,000 for urban as well as rural areas. (Higher than the amount stated in the consultation paper issued in June 2021 – up to ₹ 125,000 for rural areas and ₹ 200,000 for urban and semi-urban areas) Board-approved policy for the assessment of household income. As per the revised regulation cap/restrictions for ticket size and tenure has been removed.
Ticket size of loans	₹ 75,000 in the first cycle and ₹ 125,000 in the subsequent cycles		
Tenure of loans	Not less than 24 months for loan amounts in excess of ₹ 30,000		
Lending to the same borrower	Not more than two lenders allowed per borrower	More than two banks can lend to the same borrower	Limit on maximum loan repayment obligation of a household towards all loans: 50% of monthly household income.
Overall borrower indebtedness	Should not exceed ₹ 125,000	No restrictions for banks and SFBs	

**Regulated entities include all commercial banks (including SFBs, local area banks and regional rural banks), excluding payments banks; all primary (urban) co-operative banks, state co-operative banks and district central co-operative banks; and all NBFCs (including MFIs and housing finance companies); Source: RBI, CRISIL MI&A Research*

Top 10 states account for over 83% of MFI loans



Source: CRIF Highmark, CRISIL MI&A Research

Note: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups.

State wise portfolio outstanding of MFI Industry

(In ₹ million)

State	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Q1Fiscal 2024
Bihar	57,060.47	76,676.86	116,632.67	185,418.69	262,002.42	288,199.72	356,329.20	491,810.73	515,289.39
Tamil Nadu	120,892.25	148,433.95	188,295.41	276,761.74	334,066.11	327,768.27	367,576.68	464,029.56	486,976.52
Uttar Pradesh	75,966.09	75,764.97	91,313.34	120,740.33	156,940.46	178,980.74	235,509.67	338,435.89	357,033.73
Karnataka	84,592.29	95,192.08	121,841.55	163,579.89	197,590.51	213,394.66	242,317.32	316,686.60	324,621.22
West Bengal	109,267.39	144,020.61	190,480.50	265,739.02	321,184.32	359,163.35	331,594.15	309,624.39	312,597.22
Maharashtra	82,637.12	92,391.63	105,504.40	143,908.22	183,620.50	95,049.68	219,247.53	274,529.96	268,713.76
Madhya Pradesh	56,779.44	59,309.95	79,014.85	108,589.83	140,062.82	157,305.04	173,377.83	208,826.47	211,755.86
Odisha	38,502.60	50,039.38	81,593.60	115,058.93	134,113.34	151,714.47	172,066.46	204,437.35	211,558.27

Rajasthan	22,733.32	24,354.35	38,582.48	66,206.26	93,528.69	110,240.97	124,828.70	156,084.66	160,753.90
Kerala	29,668.96	37,706.14	55,074.00	69,895.69	90,075.00	94,136.11	104,376.28	127,515.75	136,424.41
Jharkhand	12,940.02	17,814.97	25,059.22	39,328.33	53,027.28	64,012.66	79,019.61	106,798.15	109,673.77
Gujarat	32,795.22	33,839.05	39,325.29	55,208.40	69,441.45	71,051.14	79,628.03	101,374.53	106,167.62
Andhra Pradesh	35,066.54	34,619.00	35,509.53	36,904.31	41,600.44	45,486.97	47,903.59	59,154.66	63,511.29
Chhattisgarh	12,083.06	16,171.55	24,338.74	34,838.90	43,662.61	48,097.78	52,445.41	62,048.42	62,763.41
Punjab	12,859.80	15,687.87	20,861.70	31,956.06	43,865.68	44,400.14	49,838.60	58,883.98	60,085.70
Assam	39,186.57	52,415.39	76,470.35	114,984.72	116,964.11	116,309.13	88,244.29	59,737.64	58,645.03
Haryana	13,086.65	17,052.99	19,973.66	29,095.03	39,349.82	42,592.59	50,975.33	58,008.55	58,130.46
Telangana	23,937.30	22,873.56	23,073.14	23,291.71	22,917.44	25,582.95	28,621.45	34,322.81	35,047.46
Tripura	8,072.48	10,564.38	15,085.79	22,617.43	25,904.60	27,632.86	24,433.68	19,014.42	18,447.54
Uttarakhand	8,256.60	8,026.10	8,524.30	10,139.61	12,277.74	13,857.51	15,223.62	16,947.22	16,734.07
Puducherry	1,905.52	2,530.85	2,947.03	4,395.66	5,607.30	5,525.37	5,907.36	6,780.68	7,153.07
Delhi	4,937.21	4,952.56	4,312.84	5,586.92	6,432.67	6,124.41	5,881.52	6,499.67	6,282.93
Himachal Pradesh	163.23	227.92	351.68	459.86	710.69	874.14	1,278.45	1,732.13	1,802.30
Goa	354.25	453.72	823.29	1,159.21	1,206.41	1,289.26	1,137.60	1,348.81	1,400.81
Manipur	45.13	103.43	450.80	849.98	1,319.18	1,297.26	1,237.97	1,266.57	1,219.73
Mizoram	59.32	114.71	224.57	430.45	757.59	746.78	647.52	948.31	1,033.34
Meghalaya	834.04	898.24	1,053.80	1,417.39	1,622.56	1,517.66	1,139.77	999.75	1,022.17
Sikkim	530.97	611.29	798.53	1,111.58	1,400.30	1,388.16	1,082.06	978.15	963.80
Jammu & Kashmir	37.84	39.34	57.83	105.45	165.28	197.84	428.60	750.80	776.14
Arunachal Pradesh	40.33	54.48	125.33	142.36	208.63	204.52	259.56	434.96	537.86
Chandigarh	91.72	104.14	142.74	248.99	315.45	346.43	391.72	517.71	529.63
Nagaland	27.11	110.41	251.56	460.80	604.61	775.21	691.56	470.36	444.67
Andaman & Nicobar	14.03	17.16	9.81	33.19	25.39	53.88	134.18	140.05	138.19
Dadra & Nagar Haveli	50.64	72.12	101.32	145.65	162.65	177.05	145.81	140.37	115.32
Daman & Diu	10.68	13.81	16.37	37.61	52.49	59.59	62.87	54.95	35.43
Lakshadweep	-	0.03	0.05	0.03	0.03	0.07	0.18	0.25	0.22
Total	**885,486.18**	**1,043,258.99**	**1,368,222.07**	**1,930,848.25**	**2,402,786.56**	**2,595,554.37**	**2,863,984.16**	**3,491,335.26**	**3,598,386.26**

Note: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, and other MFIs. It excludes data for banks' lending through self-help groups.
Source: CRIF Highmark, CRISIL MI&A Research

State wise portfolio outstanding of NBFC-MFI Industry

(In ₹ million)

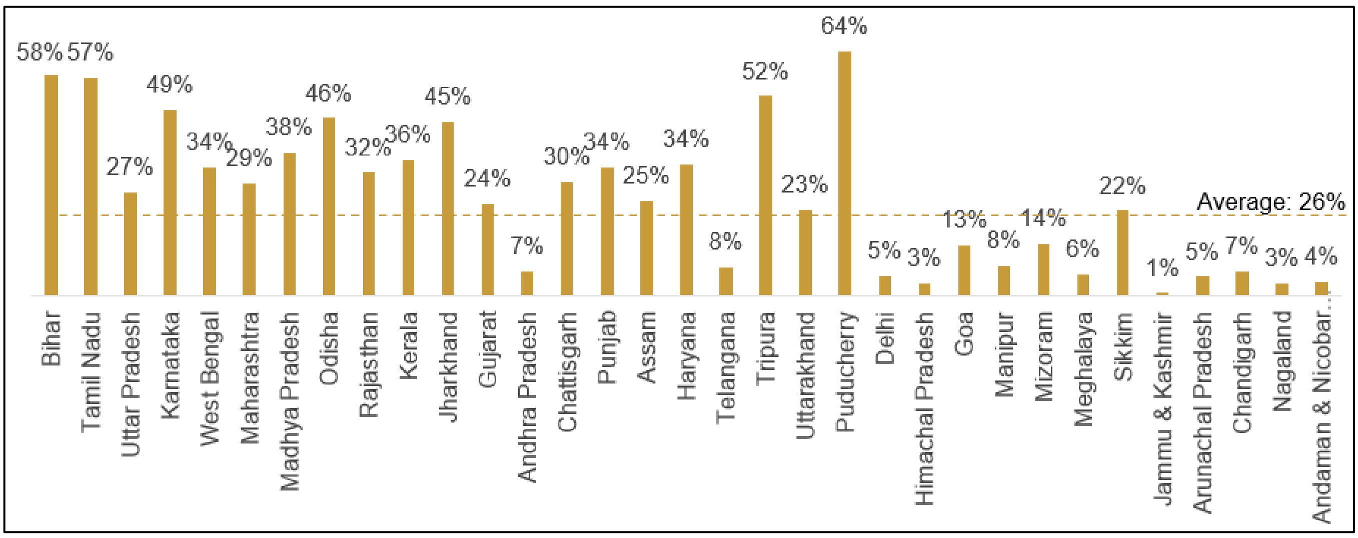
State	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Q1Fiscal 2024
Bihar	12,790.45	17,750.39	30,126.02	49,858.49	76,567.25	83,483.56	109,492.12	169,818.78	178,557.49
Tamil Nadu	23,620.22	36,823.69	53,510.30	73,939.44	95,774.49	101,489.43	125,352.98	150,814.01	152,493.34
Uttar Pradesh	27,183.39	26,042.19	35,410.01	45,897.55	58,327.44	61,982.40	87,059.98	144,025.37	154,774.64
Karnataka	23,826.08	32,067.88	48,434.43	58,600.16	76,239.34	91,291.90	105,089.16	134,270.37	129,884.47
West Bengal	8,873.81	15,201.85	28,382.72	37,710.85	47,614.36	49,801.51	52,230.04	67,268.42	72,758.98
Maharashtra	15,939.98	21,597.38	35,080.53	46,472.12	65,266.50	72,964.75	85,364.74	114,242.37	105,545.29
Madhya Pradesh	17,290.35	19,867.91	30,705.60	39,720.22	55,523.29	66,147.30	77,049.43	99,770.98	101,260.17
Odisha	8,787.11	12,494.82	25,914.56	41,839.90	52,583.13	57,772.65	66,629.70	83,666.36	85,657.65
Rajasthan	2,284.55	3,697.47	9,072.28	17,485.12	29,423.28	35,121.79	46,491.15	64,303.07	67,046.08
Kerala	4,583.89	8,953.07	11,560.97	18,212.85	24,111.25	24,227.74	28,354.41	34,296.50	34,741.23
Jharkhand	2,790.22	4,532.60	6,926.02	11,248.06	16,494.13	20,858.19	28,449.20	44,875.05	46,680.50
Gujarat	4,720.81	5,343.10	8,389.72	13,318.55	19,231.70	20,713.53	28,121.53	40,322.44	42,691.11
Andhra Pradesh	10,615.55	10,559.87	11,127.33	11,484.22	14,957.35	16,837.90	16,268.00	20,386.14	20,926.96
Chhattisgarh	4,744.49	5,890.31	9,010.67	13,498.45	18,038.20	20,741.68	23,615.43	29,955.61	30,170.82
Punjab	5,825.45	6,300.75	10,355.64	12,968.47	21,271.44	20,839.08	23,053.25	28,560.27	28,426.47
Assam	1,693.39	5,131.09	12,368.53	23,806.93	23,588.37	20,892.14	17,636.53	17,853.38	19,066.48
Haryana	2,419.54	4,156.70	5,834.48	8,048.10	11,852.48	12,946.60	17,949.69	22,770.29	22,648.00
Telangana	6,958.52	6,944.16	6,991.95	7,103.02	7,334.07	7,756.70	7,794.62	8,346.50	8,378.20
Tripura	134.25	299.57	1,434.31	3,085.06	4,375.58	4,326.36	4,484.16	5,712.05	6,133.63
Uttarakhand	2,035.23	1,889.93	2,536.72	2,885.82	3,639.52	3,952.23	5,323.79	6,731.46	6,819.42
Puducherry	369.12	580.62	768.88	1,261.01	1,606.41	1,640.05	1,937.17	2,342.59	2,344.09
Delhi	395.95	405.16	480.15	392.46	342.86	315.78	394.19	442.99	485.16
Himachal Pradesh	45.96	63.88	111.01	196.04	321.84	426.35	764.35	1,198.60	1,272.97
Goa	98.73	137.26	216.20	449.75	436.63	453.07	460.14	632.88	638.99
Manipur	14.33	53.86	116.75	246.41	435.78	354.41	310.90	227.20	206.04
Mizoram	13.64	22.34	33.07	49.54	91.66	64.86	43.55	39.14	93.66
Meghalaya	14.46	57.97	144.43	281.24	328.30	287.18	208.47	180.18	187.98
Sikkim	0.96	6.41	11.70	62.58	127.61	147.68	176.67	204.75	202.88
Jammu & Kashmir	36.37	32.51	49.83	96.01	154.95	189.00	415.68	737.22	764.49
Arunachal Pradesh	1.86	6.50	16.63	21.03	39.27	29.07	76.44	255.93	327.69
Chandigarh	15.56	13.95	26.56	41.36	63.13	64.09	54.81	86.12	92.12
Nagaland	5.34	9.05	12.91	28.93	43.09	48.68	30.85	35.81	36.50
Andaman & Nicobar	1.09	1.78	2.21	25.89	15.46	18.40	119.11	128.77	129.60
Dadra & Nagar Haveli	0.23	1.22	2.73	10.83	10.12	8.97	12.38	9.01	7.54
Daman & Diu	0.31	0.64	0.77	10.09	17.99	16.19	20.26	16.67	9.12
Lakshadweep	0.00	0.02	0.03	0.02	0.00	0.02	0.00	0.05	0.04
Not classified								578.69	368.29
Total	**188,131.17**	**246,937.91**	**385,166.64**	**540,356.55**	**726,248.26**	**798,211.26**	**960,834.88**	**1,295,105.99**	**1,321,828.12**

Note: Data includes overall portfolio outstanding of NBFC-MFIs
Source: CRIF Highmark, CRISIL MI&A Research

Underpenetrated states to drive MFI growth

CRISIL MI&A Research expects growth in the MFI portfolio to be led by states that have a relatively lower penetration such as Uttar Pradesh, Gujarat, and Uttarakhand; along with some of the moderately penetrated states such as Rajasthan, Maharashtra, and Chhattisgarh.

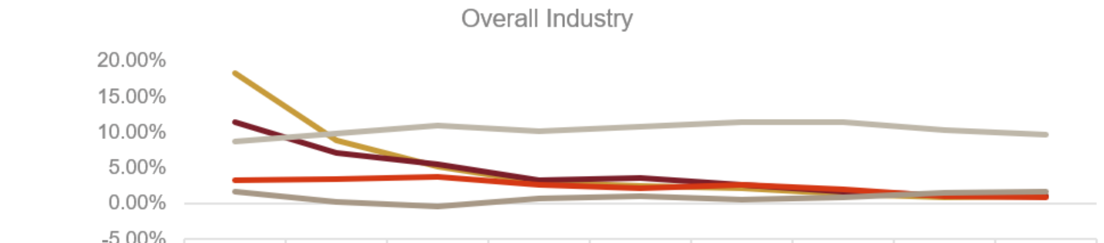
Underpenetrated states may have potential for growth and customer expansion (March 2023)



Note: Penetration has been computed by dividing the number of unique active MFI borrowers by the estimated number of households in the respective state. Source: MFIN, CRISIL MI&A Research

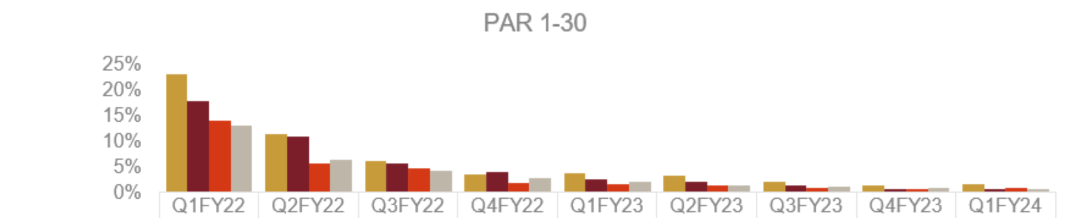
Asset quality

The asset quality appears to be stabilizing for the overall industry, as indicated by a significant decrease in the flow of loans from the current bucket over the past two years. In the first quarter of Fiscal 2024, overdue loans for the industry exhibited a positive trend, with PAR 1-30 at approximately 1.05% (down from approximately 18.28% in the first quarter of Fiscal 2022), PAR 31-90 at 1.06% (compared with approximately 11.47% in the first quarter of Fiscal 2022), and PAR 91-180 at 0.90% (a decrease from 3.28% in the first quarter of Fiscal 2022). PAR 180+ experienced a slight increase, reaching approximately 9.70% (up from 8.76% in the first quarter of Fiscal 2022). Also note that all lender groups observed a reduction in their PAR 1-30, PAR 31-90, and PAR 91-180 DPD buckets.



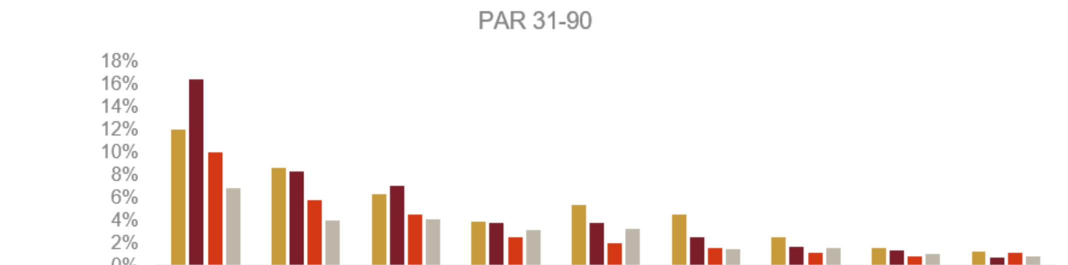
	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
PAR 1-30	18.28%	8.87%	5.21%	2.89%	2.52%	2.11%	1.34%	0.92%	1.05%
PAR 31-90	11.47%	7.10%	5.50%	3.26%	3.61%	2.68%	1.75%	1.16%	1.06%
PAR 91-180	3.28%	3.47%	3.70%	2.69%	2.17%	2.70%	1.96%	1.03%	0.90%
PAR 180+	8.76%	9.88%	10.90%	10.08%	10.82%	11.47%	11.50%	10.31%	9.70%
Writeoffs	2%	0%	0%	1%	1%	1%	1%	2%	2%

Note: Write-offs pertain to the particular quarter. Source: CRIF Highmark, CRISIL MI&A Research



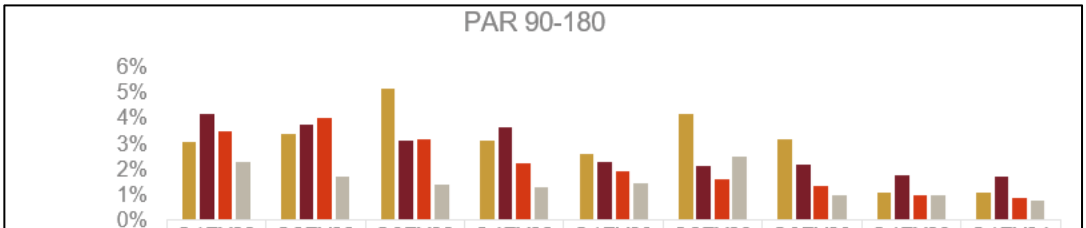
	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Banks	23%	11%	6%	4%	4%	3%	2%	1%	1%
SBFs	18%	11%	6%	4%	2%	2%	1%	1%	1%
NBFC-MFIs	14%	6%	5%	2%	2%	1%	1%	1%	1%
Others	13%	6%	4%	3%	2%	1%	1%	1%	1%

Source: CRIF Highmark, CRISIL MI&A Research



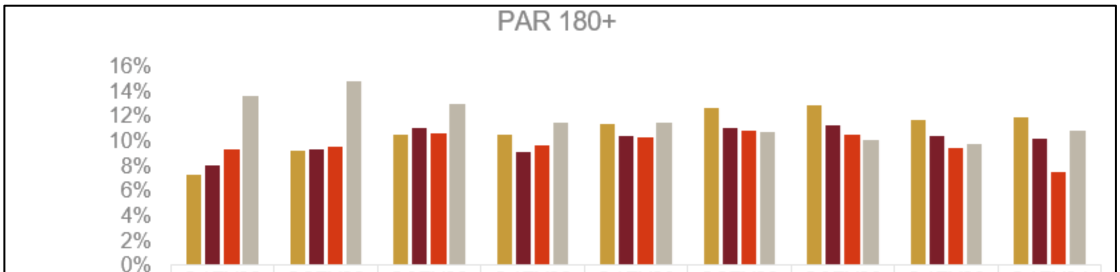
	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Banks	12%	9%	6%	4%	5%	4%	2%	2%	1%
SBFs	16%	8%	7%	4%	4%	2%	2%	1%	1%
NBFC-MFIs	10%	6%	4%	2%	2%	2%	1%	1%	1%
Others	7%	4%	4%	3%	3%	1%	1%	1%	1%

Source: CRIF Highmark, CRISIL MI&A Research



	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Banks	3%	3%	5%	3%	3%	4%	3%	1%	1%
SBFs	4%	4%	3%	4%	2%	2%	2%	2%	2%
NBFC-MFIs	3%	4%	3%	2%	2%	2%	1%	1%	1%
Others	2%	2%	1%	1%	1%	2%	1%	1%	1%

Source: CRIF Highmark, CRISIL MI&A Research

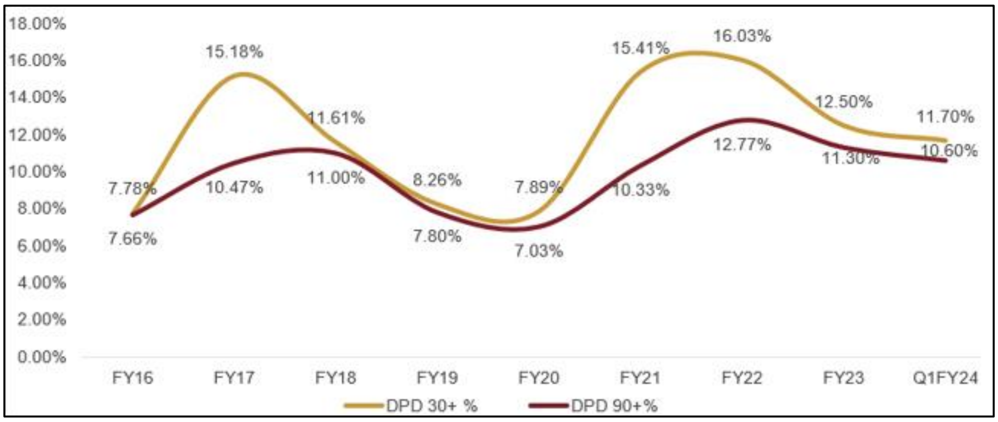


	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Banks	7%	9%	11%	10%	11%	13%	13%	12%	12%
SBFs	8%	9%	11%	9%	10%	11%	11%	10%	10%
NBFC-MFIs	9%	10%	11%	10%	10%	11%	10%	9%	7%
Others	14%	15%	13%	11%	11%	11%	10%	10%	11%

Source: CRIF Highmark, CRISIL MI&A Research

In Fiscal 2021, the asset quality deteriorated sharply, reflecting the adverse impact of Covid-19 on the industry. The industry's PAR>30 and PAR>90 shot up to 15.41% and 10.33%, respectively, in March 2021, and deteriorated to 16.03% and 12.77%, respectively, in March 2022. This could be attributed to slippages from the restructured book for various MFI players. The situation improved marginally with PAR>30 at 12.50% and PAR>90 at 11.30% in March 2023 and deteriorated to 11.70% and 9.00%, respectively, in June 2023. CRISIL MI&A Research believes that timely recoveries and controlling incremental slippages would be critical for MFIs to maintain their asset quality.

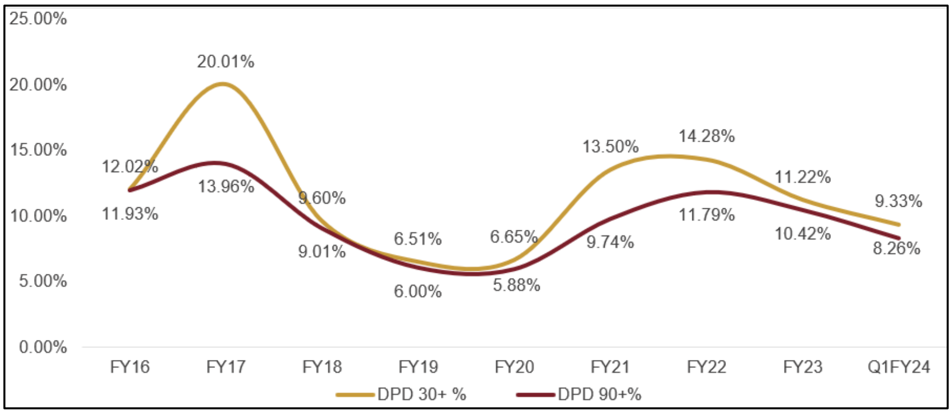
Asset quality trend of the overall MFI industry



Note: PAR 30+ and PAR 90+ include delinquency beyond 180 days and 360 days.Source: CRIF Highmark, CRISIL MI&A Research

Among peer groups, the PAR>30 and PAR>90 metrics for NBFC-MFIs exhibited a positive trend, improving to 6.65% and 5.88%, respectively, in Fiscal 2020 from 12.02% and 11.93%, respectively, in Fiscal 2016. However, they subsequently increased to 11.22% and 10.42%, respectively, in Fiscal 2023 before improving marginally to 9.33% and 8.26%, respectively, in June 2023. While asset quality has been on an upward trajectory, it remains at a moderate level compared with the pre-pandemic period due to additional slippages in the restructured portfolio. With collection efficiency now back to pre-pandemic levels, the asset quality is forecast to continue to improve in the upcoming Fiscals.

Asset quality trend of the overall NBFC-MFI industry

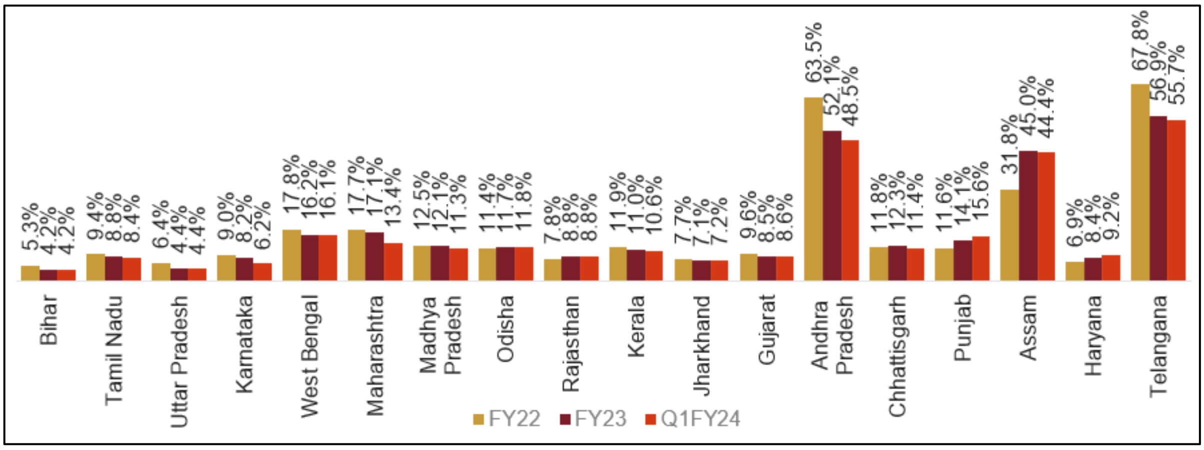


Note: PAR 30+ and PAR 90+ include delinquency beyond 180 days and 360 days. Source: CRIF Highmark, CRISIL MI&A Research

Asset quality has improved across states

The asset quality has improved across most top states. Assam witnessed a sharp deterioration in asset quality with PAR 90+ increasing to 44.4% in June 2023. PAR 90+ of Rajasthan, Haryana, and Orissa increased 0.3-2.3 percentage points in June 2023 compared with Fiscal 2021, while that of Punjab increased 4.1%. Asset quality improved significantly by 12% - 15% for Andhra Pradesh and Telangana in June 2023 compared with Fiscal 2021. Bihar exhibited the best asset quality as of June 2023.

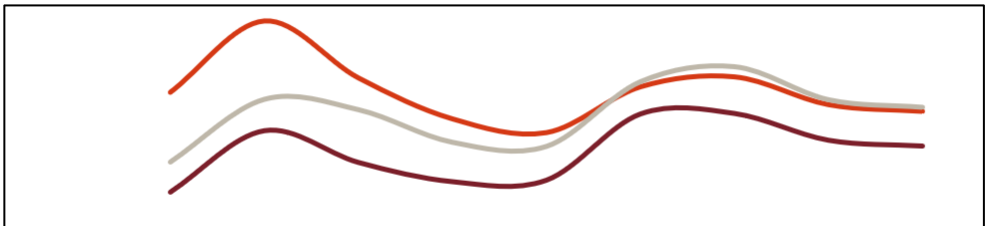
Bihar ranks the lowest in terms of PAR>90 among the top states



Note: PAR 90+ includes delinquency beyond 180 days.Source: CRIF Highmark, CRISIL MI&A Research

While assessing the portfolio quality of the entire MFI industry, a sharp deterioration in asset quality across rural, semi-urban, and urban regions is evident over Fiscal 2021 – Fiscal 2022, However, the situation improved marginally in Fiscal 2023 and as of the first quarter of Fiscal 2024. A more detailed examination of long-term trends reveals that asset quality tends to be notably stronger in rural areas compared with urban and semi-urban areas due to factors such as robust farm income, favourable monsoon conditions, and the inherent strength of rural economies.

Asset quality of rural regions better than urban and semi-urban regions (PAR 90+)

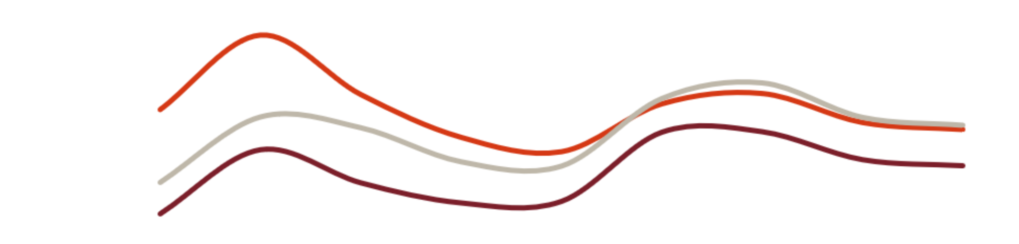


	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Q1FY24
Rural	4.3%	11.7%	7.9%	5.6%	5.8%	13.8%	13.8%	10.6%	9.9%
Semi-urban	16.4%	24.9%	18.1%	13.2%	11.6%	17.0%	18.2%	14.9%	14.1%
Urban	8.0%	15.5%	14.2%	10.3%	9.8%	17.5%	19.3%	15.4%	14.5%

Rural Semi-urban Urban

Note: PAR 90+ includes delinquency beyond 180 days of the MFI industry. Source: CRIF Highmark, CRISIL MI&A Research

Asset quality of rural, urban, and semi-urban regions (PAR 30+)

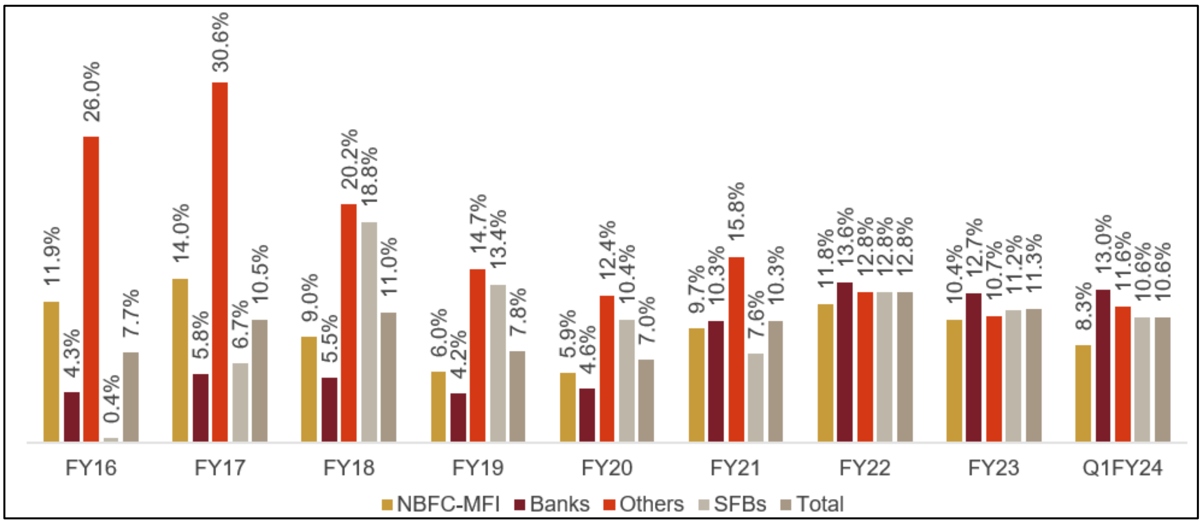


	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Q1FY24
Rural	4.3%	11.7%	7.9%	5.6%	5.8%	13.8%	13.8%	10.6%	9.9%
Semi-urban	16.4%	24.9%	18.1%	13.2%	11.6%	17.0%	18.2%	14.9%	14.1%
Urban	8.0%	15.5%	14.2%	10.3%	9.8%	17.5%	19.3%	15.4%	14.5%

Note: PAR 30+ includes delinquency beyond 180 days of the MFI industry.Source: CRIF Highmark, CRISIL MI&A Research

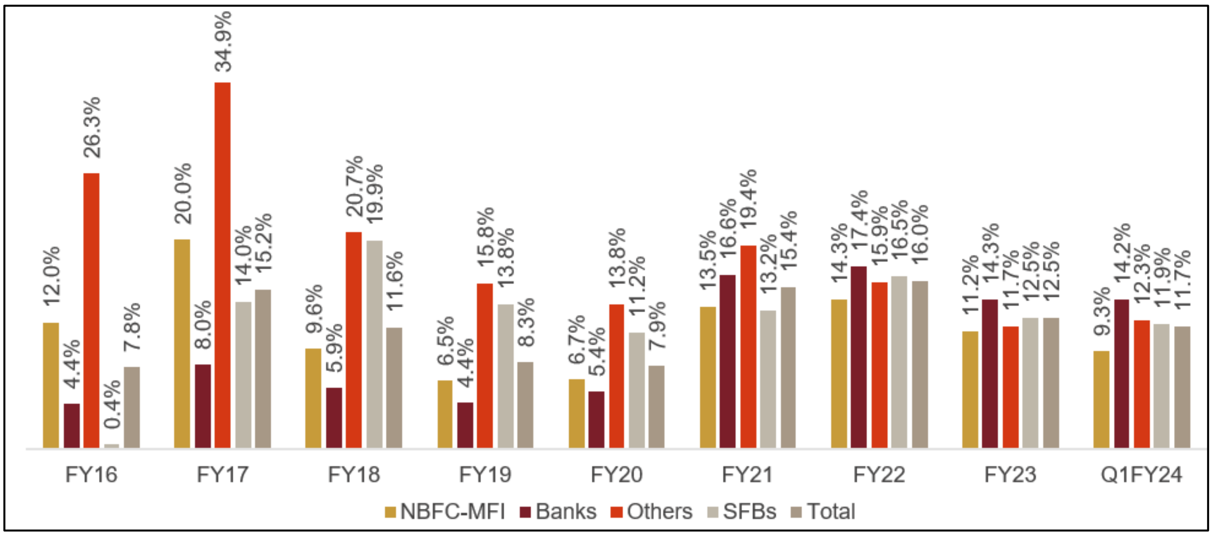
NBFC-MFIs have emerged as standout performers, surpassing other player groups in the PAR90+ days bucket. Focused lending practices and proactive risk management have enabled them to maintain lower levels of delinquency, ensuring a healthier loan portfolio. This achievement underscores their resilience and effectiveness in managing credit risk.

NBFC-MFIs have performed better than other player groups (PAR 90+ days)



Note: PAR 90+ includes delinquency beyond 180 days of the MFI industry. Source: CRIF Highmark, CRISIL MI&A Research

Asset quality of player groups in the microfinance industry (PAR 30+ days)



Note: PAR 30+ includes delinquency beyond 180 days of the MFI industry. Source: CRIF Highmark, CRISIL MI&A Research

MFI roll forward rate back to pre-pandemic levels

The MFI industry has shown remarkable resilience as it recovers from the pandemic's impact. Roll forward rate has now returned to pre-pandemic levels. This positive development indicates a significant step towards normalcy and stability within the MFI sector.

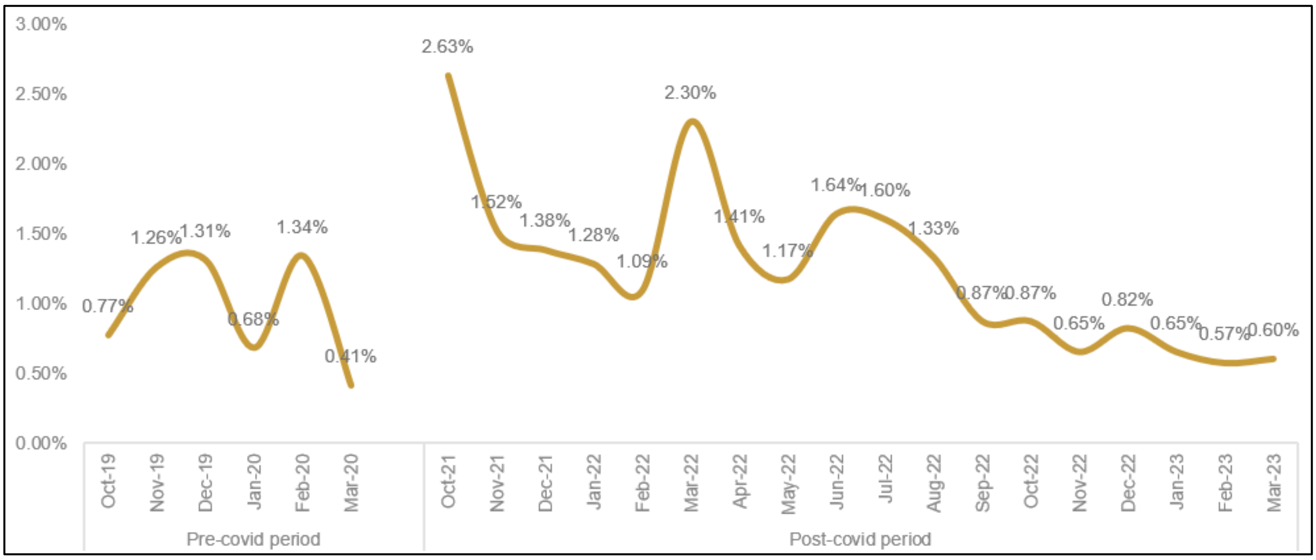
During the COVID-19 pandemic, the microfinance industry faced unprecedented challenges, including increased provisioning and a rise in credit costs due to economic uncertainties. MFI collections had plunged to near zero in April 2020, because of the pandemic-induced nationwide lockdown. However, as the economy gradually reopened and borrowers regained their financial footing, the MFI sector demonstrated its ability to adapt and recover. This is despite MFI borrowers having relatively weaker credit profiles and field-intensive operations involving high personal touch, such as home visits and physical collection of cash.

The return of the roll forward rate to pre-pandemic levels signifies several positive aspects:

Stabilized Operations: MFIs have successfully navigated through the turbulent period, demonstrating operational resilience and adaptability.

Improved Asset Quality: The fact that the roll forward rate has rebounded suggests that asset quality has improved, as borrowers are increasingly meeting their repayment obligations.

As the MFI sector continues to rebuild and adapt to the evolving financial landscape, achieving pre-pandemic roll forward rates is a significant milestone that reflects the industry's resilience, commitment to its mission, and positive outlook for the future. It serves as a testament to the industry's ability to weather storms and emerge stronger, ready to fulfill its crucial role in providing financial services to underserved communities.



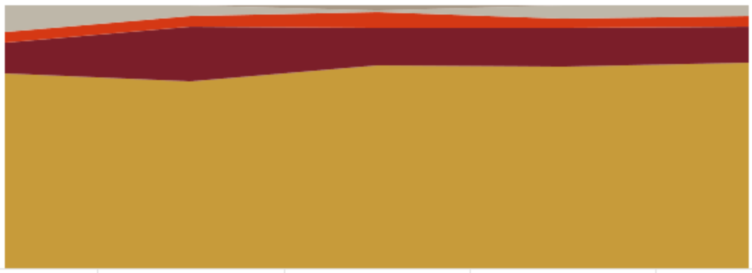
Note: The roll forward rate is for current (0 DPD) to 1-30DPD
Roll forward rate has been calculated by current (0 DPD) balance at the beginning of month divided by current balance in 1-30DPD bucket at the end of month.
Source: CRIF Highmark, CRISIL MI&A Research

Banks continue to be an integral source of funds for NBFC-MFIs

Banks have traditionally been the key lenders to NBFC-MFIs. Smaller players would resort to portfolio sell-outs to channel growth.

However, in Fiscal 2021, funds raised by NBFC-MFIs through non-convertible debenture issuances increased substantially, mainly due to targeted long-term repo operations announced by the RBI. TLTRO enables lower-rated entities to issue bonds at a low interest rate. It also enables banks to invest in specific sectors through debt instruments to boost credit flow in the economy. The scheme aims at providing adequate system-level liquidity and targeted liquidity to sectors and entities facing difficulties in raising funds from the markets. Under the RBI's on-tap TLTRO scheme, liquidity availed by banks had to be deployed in corporate bonds, commercial papers and NCDs issued by entities in sectors such as MFIs and construction.

NBFC MFI - Borrowing mix



	FY20	FY21	FY22	FY23	FY24P
Commercial papers	0%	0%	2%	0%	0%
Others	11%	4%	0%	5%	4%
Subordinate debt	4%	4%	6%	3%	4%
Debentures	12%	21%	15%	15%	13%
Term loans	74%	71%	77%	77%	78%

Note: P: Projected; Source: CRISIL MI&A Research, MFIN

NBFC-MFIs also raised funds through the partial credit guarantee scheme under which the RBI extended a special liquidity facility to NABARD, SIDBI and National Housing Bank to the tune of ₹ 250,000 million, ₹ 150,000 million and ₹ 100,000 million, respectively, to be further lent to sectors such as construction and small and medium NBFC-MFIs. After an increase in term loans from banks by 600 bps in Fiscal 2022, the borrowings remained range bound in Fiscal 2023.

The share of term loans is expected to increase with a decline in NCD borrowings on account of hardening of interest rates due to a 250 bps hike in repo rates in Fiscal 2023. The RBI has continued to pause interest rate hikes since February 2023 and is monitoring the impact of rate transmission on the economy. In addition, MFIs have been regularly raising equity over the years, indicating stable investor confidence.

Reduction in credit cost to boost profitability of MFIs in the medium term

In Fiscals 2021 and 2022, the cost of borrowing remained relatively stable despite the pandemic. However, with an increase in the repo rate in Fiscal 2023, the cost of borrowing is estimated to have increased for MFIs. The increase is likely to be offset by steeper lending rates, thereby cushioning NIMs. Further, enhanced flexibility to set lending rates is one of the drivers supporting a revival in MFIs' profitability in Fiscal 2024, led by RBI's removal of the interest margin cap on lending rates under its new regulatory framework for microfinanciers.

Over Fiscal 2021 and Fiscal 2022, annual credit costs of the industry shot up to 3-5% because of pandemic-related provisioning. However, most MFIs increased provisioning levels to fortify their balance sheets against asset quality risks. CRISIL MI&A Research estimates credit costs decreased in Fiscal 2023 because of lower provisions and an improvement in repayment levels of borrowers.

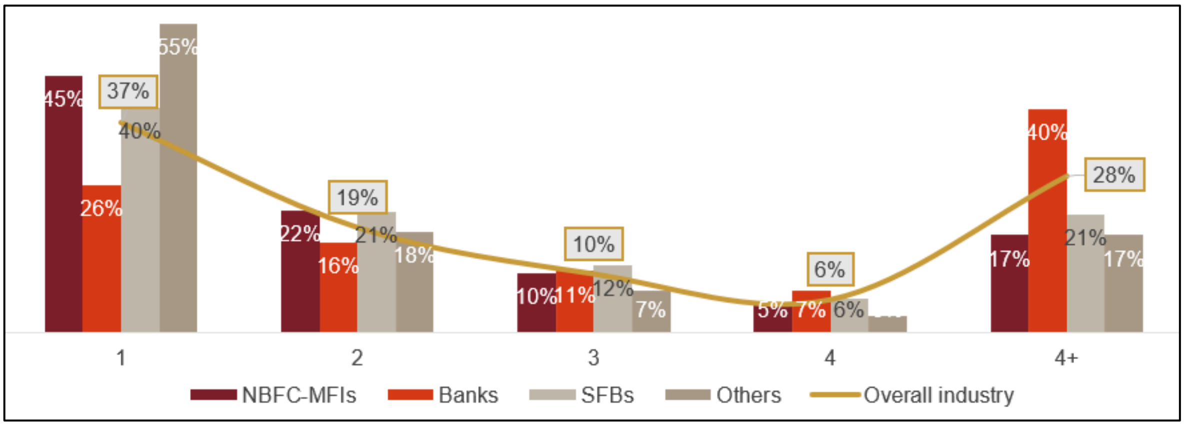
A majority of borrowers in the microfinance sector receive loans from NBFC-MFIs at fixed interest rates due to the short duration of these loans. Any changes in the repo rate are quickly reflected in the interest rates charged to borrowers. However, it is important to note that these revised interest rates apply only to new borrowers, as existing borrowers continue to operate under the previous rate structure. While an increase in the repo rate will lead to higher yields for NBFC-MFIs, we anticipate that NIMs of these institutions will generally remain range bound. CRISIL MI&A Research predicts a gradual decrease in credit costs throughout Fiscal 2024 to support the overall profitability of the microfinance industry. In this context, the new framework introduced by the RBI is favourable for MFIs. This framework includes higher income eligibility thresholds for borrowers and provides greater flexibility in loan pricing for MFIs.

Profitability (return on assets) of MFIs to improve in Fiscal 2024

RoA tree	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024P
Interest income	18.2%	17.2%	15.7%	15.9%	17.3%	18.7%
Interest expense	8.5%	7.7%	7.4%	7.1%	7.3%	8.0%
Net interest income	**9.7%**	**9.6%**	**8.3%**	**8.8%**	**10.0%**	**10.7%**
Other income	2.1%	2.0%	1.2%	1.3%	2.3%	1.6%
Operating costs	5.5%	5.1%	4.4%	4.9%	5.4%	4.9%
Credit cost	0.7%	1.5%	4.6%	3.5%	3.3%	2.8%
Tax	1.6%	1.5%	0.3%	0.6%	1.0%	1.1%
RoA	**4.0%**	**3.5%**	**0.2%**	**1.1%**	**2.6%**	**3.5%**

Note: P: projected; All above ratios are calculated on average assets. Source: CRISIL MI&A Research

Loan cycle-wise breakup of disbursements as of June 2023



Source: CRIF Highmark, CRISIL MI&A Research

NBFC-MFIs have a longstanding track record of high customer retention in loan cycles 2 and 3. The high customer distribution in loan cycle 1 indicates the focus of NBFC-MFIs on acquiring new customers.

MFI borrower penetration in retail loans as of March 2023

With enhanced financial literacy and better financial standing, borrowers are increasingly availing other retail financial products. Approximately 56% of MFI borrowers hold retail loans in addition to their microfinance loans as of March 2023.

The overlap of MFI and Retail borrowers exhibits a low corelation with regards to percent of borrowers having loans from multiple lenders across MFI and retail segment. The percent of borrowers with loan from one MFI and from one retail lender as of March 2023 was approximately 48%.

MFI vs Retail lender association by number of borrowers

Number of lenders		Retail lender association					Total
		1	2	3	4	>=5	
MFI lender association	**1**	47.65%	7.79%	1.72%	0.50%	0.39%	**58.05%**
	2	17.58%	4.70%	1.24%	0.36%	0.20%	**24.08%**
	3	7.04%	2.61%	0.84%	0.27%	0.16%	**10.91%**
	4	2.49%	1.20%	0.46%	0.17%	0.10%	**4.42%**
	>=5	1.17%	0.74%	0.36%	0.16%	0.11%	**2.54%**
Total		**75.92%**	**17.04%**	**4.62%**	**1.45%**	**0.97%**	**100.00%**

Source: CRIF Highmark, CRISIL MI&A Research

DPD for MFI vs Retail overlap portfolio outstanding

		Retail DPD								
Portfolio outstanding		**CURRENT**	**1_30**	**31_60**	**61_90**	**91_120**	**121_150**	**151_180**	**>180**	**Total**
MFI DPD	**CURRENT**	64.80%	4.42%	2.12%	1.11%	1.80%	0.38%	0.30%	8.08%	83.00%
	1_30	1.27%	0.19%	0.08%	0.04%	0.06%	0.02%	0.01%	0.29%	1.97%
	31_60	0.55%	0.07%	0.07%	0.03%	0.04%	0.01%	0.01%	0.18%	0.96%
	61_90	0.49%	0.07%	0.05%	0.13%	0.05%	0.01%	0.01%	0.21%	1.02%
	91_120	0.29%	0.04%	0.03%	0.02%	0.03%	0.01%	0.01%	0.12%	0.55%
	121_150	0.26%	0.04%	0.03%	0.02%	0.03%	0.01%	0.01%	0.12%	0.52%
	151_180	0.24%	0.04%	0.02%	0.01%	0.02%	0.01%	0.01%	0.12%	0.48%
	>180	5.13%	0.66%	0.47%	0.30%	0.56%	0.13%	0.12%	4.14%	11.51%
Total		**73.04%**	**5.52%**	**2.87%**	**1.66%**	**2.60%**	**0.58%**	**0.47%**	**13.26%**	**100.00%**

Source: CRIF Highmark, CRISIL MI&A Research

Gold loan industry

While the industry has been around for several decades with local financiers and moneylenders extending finance against gold, especially in semi-urban and rural areas, the industry has witnessed a spurt in organized financiers offering gold loans since 2008 with the specialized gold loan NBFCs expanding their branch network and making available loans in a very easy and consumer friendly manner by putting in place strong systems and processes. Gold loan financing was availed predominantly by lower income group customers with limited or no access to other forms of credit with need for urgent borrowing or bridge financing requirements.

Still, the unorganised segment occupies majority of share in gold financing and is characterized by the presence of numerous pawnbrokers, moneylenders and landlords operating at a local level. Though these players operate with a deeper understanding of local markets and offer immediate liquidity without any documentation formalities, customers are left vulnerable to exploitation, due to the absence of regulatory oversight. Such players also give lower loan-to-value ratio compared with organized ones while charging exorbitant interest.

Credit demand for Gold Loans for the organized players increased due to relatively lower and affordable interest rates, the need for liquidity for assets held in gold and increased awareness and acceptance of Gold Loan financing. Additionally, high rural indebtedness along with relative inaccessibility to personal and retail loans from banks for the borrowers have been the drivers for growth of organized segment.

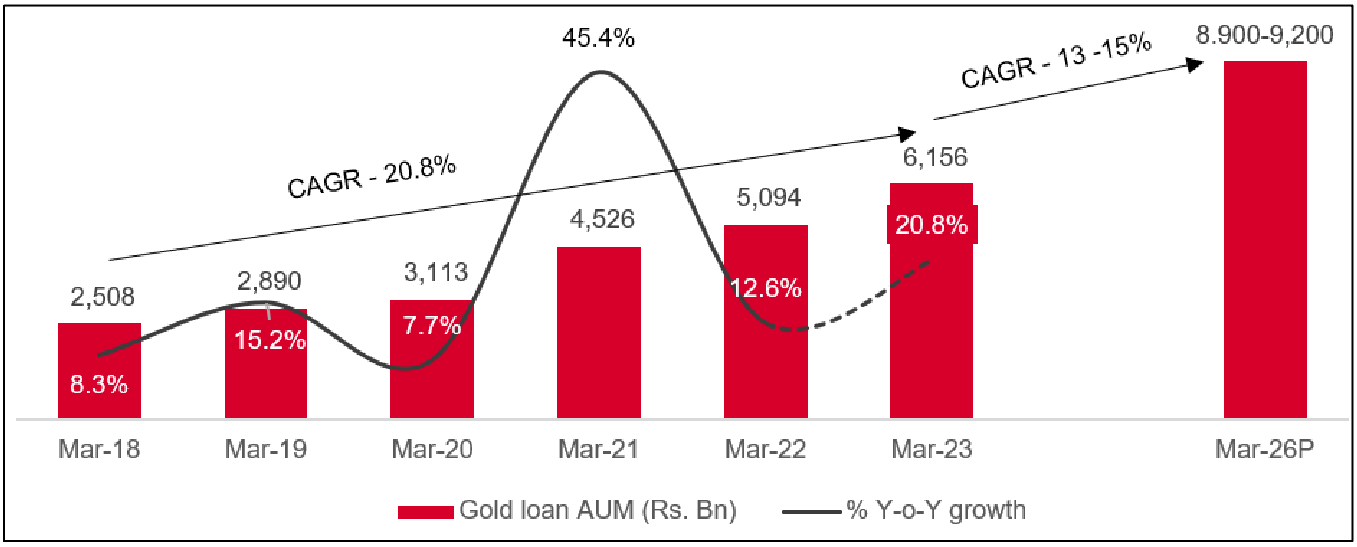
Manappuram Finance is one of the largest NBFCs in gold loan segment. The two biggest NBFC players in the gold segment are Manappuram Finance and Muthoot Finance with AUM of ₹ 206 billion and ₹ 660 billion, respectively, as of June 2023.

Gold loan to grow on four factors

Source: CRISIL MI&A Research

That said, the overall gold loan AUM stood at ₹ 6.2 trillion in Fiscal 2023 and is expected to reach approximately ₹ 7.4 trillion in Fiscal 2024. Further, it is expected to reach approximately ₹ 9.0 trillion at a CAGR of 15% till Fiscal 2026.

Organised gold loan AUM trend



P: Projected; Note: Includes agriculture lending by banks with gold as collateral; Source: Company reports, CRISIL MI&A Research

The firming up of gold prices in India on account of elevated inflation, global economic slowdown, rupee depreciation, and increase in gold import duty could support the LTV ratio of lenders, with rising prices is also creating headroom for credit growth. LTV, which had peaked in Fiscal 2021 due to correction in gold prices and moratorium on repayments, has moderated since then and remained stable in Fiscal 2023.

Credit growth is being further supported by a shift to organised players from unorganised market. This is largely due to exorbitant rates of interest charged, lack of clarity regarding valuation of gold and LTV and lack of assurance of getting the pledged asset back by the unorganised players. Going forward, CRISIL MI&A believes that the organized gold loan market is expected to be driven by increasing gold loan penetration, rising share of organized financiers and market expansion through geographical diversification.

Organised gold loan penetration in India (computed as gold stock with organized financiers divided by total gold stock in India) is estimated to be approximately 7% as of March 2023, which indicates that organised gold loan market has significant headroom for growth. Going forward, gold loan penetration is expected to increase further on geographical diversification, rising branch network, and households increasingly looking to monetise their gold holdings for personal and business needs. In addition, increase in gold prices and expectations of micro-enterprises using gold loans to fund working capital requirements is expected to also aid growth of gold financing.

According to CRISIL MI&A, due to increasing awareness about benefits of availing gold loans from organised segment, the share of organised gold loan financiers has increased from 56% - 58% in Fiscal 2017 to approximately 61% - 63% (in terms of value) in Fiscal 2023. Going forward, CRISIL MI&A expects the trend to continue, and the share of organised loan market is expected to further improve from approximately 61% to approximately 63% in the near term.

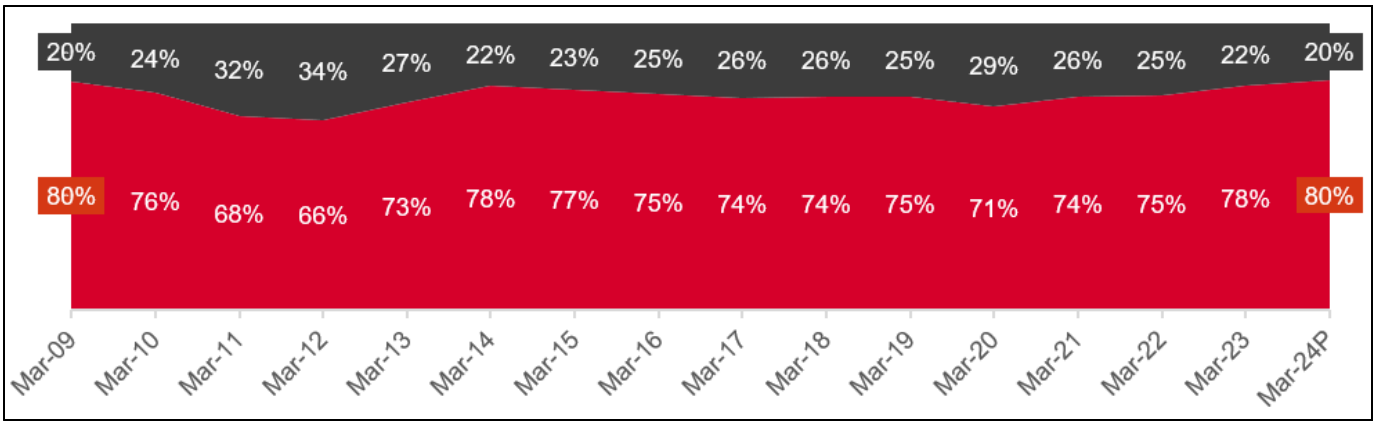
In the organised segment, there has been a further to digital and online platforms along with phygital mode of business from physical mode of business. In fact, growing uptake in these modes is expected to be the primary driver going forward.

Interplay in market share between banks and gold loan NBFCs

Banks, which historically comprised majority share of the domestic gold loan portfolio, saw their share increase significantly following major disruptions to the financial markets, such as the Global Financial Crisis in 2008, the taper tantrum of Fiscal 2014, and the onset of the pandemic in Fiscal 2021. This was due to banks focussing on the gold segment as a product with relatively better asset quality on the back of liquid collateral like gold and higher ROI and increase in gold prices. More recently, in Fiscal 2021, i.e., during the peak of the Covid-19 pandemic, increase in the regulatory cap on LTV to 90% for a year provided further impetus to banks to focus on the safer segment of gold loans. Post Fiscal 2021, despite the regulatory cap on LTV lowered to 75%, the growth momentum of banks continued, as the country was buffeted by the effects of the second wave of Covid-19 and subsequent reimposition of lockdowns.

The aggressive focus of banks has led to a sustained reduction in the share of gold loan NBFCs, which continued in Fiscal 2023. The NBFC customers typically focus more on customer experience and turnaround time as opposed to lower rate of interest provided by banks. But while NBFCs lose further market share in Fiscal 2024, the gold loan segment is expected to continue to grow, led by banks with healthier balance sheets, at least in the near term.

Trend in market share between banks and NBFCs



P: Projected
Note: Includes agriculture lending by banks with gold as collateral
Source: Company reports, CRISIL MI&A Research

NBFCs compete on the basis of operating efficiency, turnaround time, local connect while managing risks

Despite banks having a competitive advantage of offering gold loans at lower cost, gold loan NBFCs have been trying to compete with banks through aggressive expansion of branch and increased focus on customer experience. NBFCs focus more single-mindedly on the gold loans business and have, accordingly, built their service offerings by investing significantly in manpower, systems, and processes as per the needs of the customer, some of which are listed below:

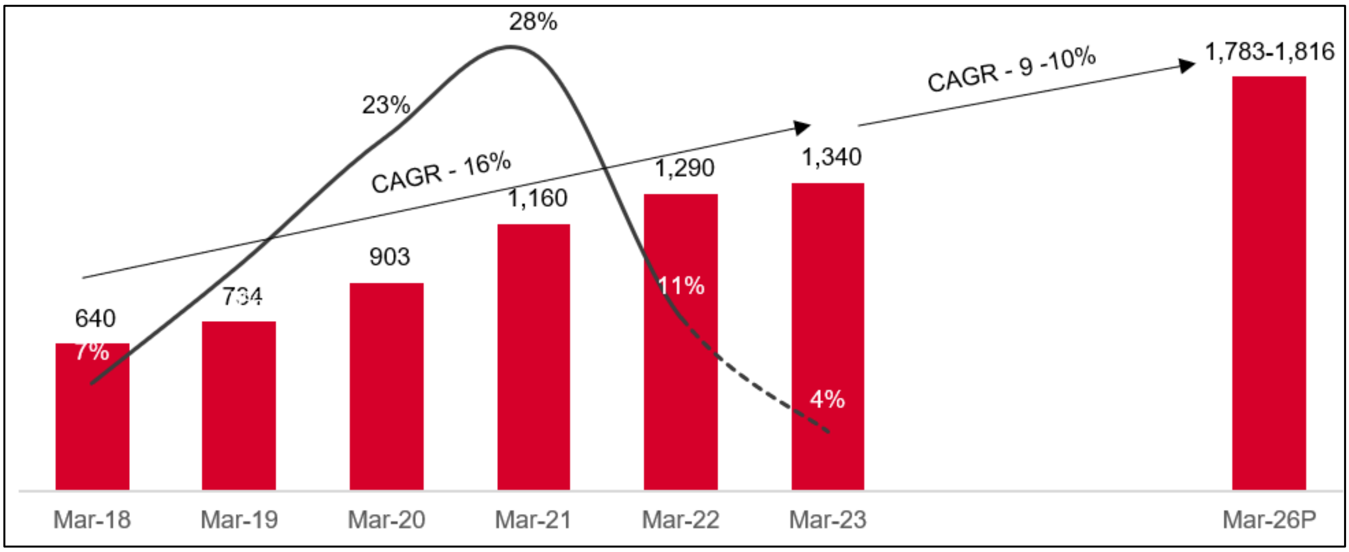
Lower turnaround time and lesser documentation: The gold loan borrower generally wants to procure the loan as quickly as possible and availability of well-trained and experienced employees in assessment and valuing gold helps NBFCs to disburse loans faster as compared to a bank.

Wider reach and better local connect: NBFCs have a geographically wider and deeper reach, especially in rural and semi-urban regions, where demand for gold loans is higher

Risk management process: Most NBFCs have put in place a comprehensive and robust risk management process taking into account their experiences over the years and the key risks in the process including steps taken to prevent fraud, store the gold safely, and recoup losses in case of a loan turning non-performing.

The growth in disbursals by gold loan NBFCs moderated further in Fiscal 2023, owing to increased competition from banks and lower rural credit demand. Also, as cash flows improved following a rebound in economic activity, borrowers began repaying their loans and redeeming the gold. However, the trend is expected to reverse with recovery in rural demand, expanding of branches and optimisation of gold loan branches.

Gold loan NBFCs on branch-expansion spree amid rising gold prices



P: Projected; Source: Company reports, CRISIL MI&A Research

In an effort to better compete with banks and fintechs, gold loan NBFCs are expanding their reach and customer base through focused marketing strategies, with increased advertising and employee benefits. They are also working towards ringfencing their high-value customer base (loans greater than ₹ 0.20 million), which are targeted by banks and expanding to cater to rural low-income customers. The overall customer base of gold loan NBFCs remains stable, as banks typically cater to higher ticket sizes.

Until Fiscal 2022, NBFCs exhibited decent growth performance with 16% CAGR followed by a marginal growth rate of 4% in Fiscal 2023. CRISIL MI&A Research expects the gold AUM credit growth to pick to 9% - 11% in Fiscal 2024 on account branch expansion and optimisation, expected firming of gold prices and spur in credit demand in NBFC target consumer segment. In the medium term, NBFCs' gold loan book is expected to grow at a CAGR of 9-10% till Fiscal 2026.

Average ticket size

Average ticket size has been rising over the past five years, supported by rising gold prices, as it has created headroom for incremental credit because of lowering of the LTV ratio. As a part of regulatory requirement, the LTV for NBFCs is capped at 75%. The overall credit growth is supported by increase in volume as well as value in form of increased ticket size which is driven by increase in price of the underlying gold.

Increase in average ticket size contributed to AUM growth

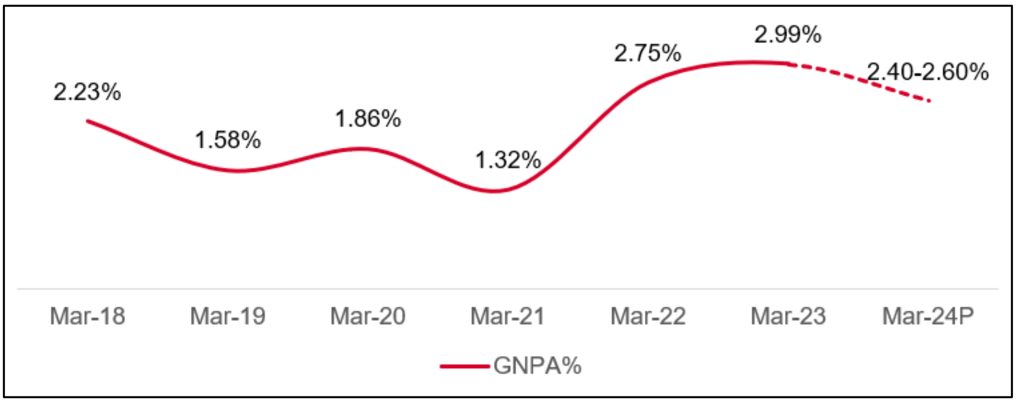
Average ticket size (in lakhs)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Manappuram Finance	0.33	0.39	0.45	0.57	0.58
Muthoot Finance	NA	NA	0.61	0.69	Approximately 0.70
SBFC Finance	1.02	0.90	0.90	0.90	0.90
Kosamattam Finance Limited	0.34	0.37	0.44	0.45	NA
Fedbank Financial Services	NA	NA	NA	NA	1.01
IIFL Finance	0.58	0.56	0.59	0.70	0.63

NA: Not available; Source: CRISIL MI&A, company reports

NPAs for gold loan NBFCs to improve in Fiscal 2024

GNPAs of gold loan NBFCs, despite remaining elevated in Fiscal 2023, is expected to improve in Fiscal 2024. CRISIL MI&A Research expects GNPAs, which trended at 2.99% in Fiscal 2023 to improve to 2.40% - 2.60% in Fiscal 2024, owing to better collection efficiency and recovery via auctions to some extent. However, going forward, volatility in gold prices could pose some challenges to the asset quality in an otherwise relatively safe segment.

GNPAs to ease from current elevated levels



Source: Company reports, CRISIL MI&A Research

But GNPAs of the top two gold financiers remained elevated at 3.20% as of March 2023. The stress on asset quality could be because of combination of migration of teaser loans to higher RoI and loosening of credit filters in Fiscal 2023.

Traditionally, GNPAs have been controlled via recoveries through gold auction. However, as gold financing involves personal connect, gold auctions tend to be the last resort, and typically NPAs are resolved via repayment by the customer. Additionally, further slippages in case of GNPAs because of migration of teaser loans to higher rates could be limited, as majority of the teaser loan book has already been migrated. Given the liquid nature of collaterals and recent increase in gold prices, the ultimate LGD would be modest.

Gold loan NBFCs' LTV ratio ranges from 60% - 70%, which provides sufficient buffer against price fluctuations of gold prices. Lenders also ensure adequate provisioning, supported by residual effect from deterioration in asset quality during the peak of the pandemic in Fiscal 2022. Additionally, it must be noted that any volatility in gold prices could translate into higher LGD rates, thereby increasing ECL provisioning.

Profitability subdued due to further compression of NIM

Lowest yields in five years

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Manappuram Finance Ltd	24.20%	25.40%	24.90%	22.20%	21.00%
Muthoot Finance Ltd	21.23%	23.03%	22.17%	20.06%	17.70%
IIFL Finance	18.10%	19.40%	18.00%	16.30%	17.50%
Kosamattam Finance Ltd	20.56%	19.43%	17.76%	17.70%	NA
Muthoot Fincorp Ltd	21.62%	21.73%	21.62%	18.74%	NA

Source: CRISIL MI&A Research, company reports

Yields have been on a declining trend for various players amid intense competition from banks. Competition continues to put pressure on NIMs of gold loan NBFCs. Typically, banks offer gold loans at a lower yield of 7% - 15% due to low cost of funds advantage for banks, while NBFCs charge 18% - 24%. The initial effect of competition was felt when certain NBFCs introduced teaser rate loans which adversely impacted yields. With majority of the teaser loans reducing, yields may have bottomed out. However, at a structural level, they will continue to be lower than pre-pandemic levels in the near to medium term.

Factors supporting gold loan AUM growth

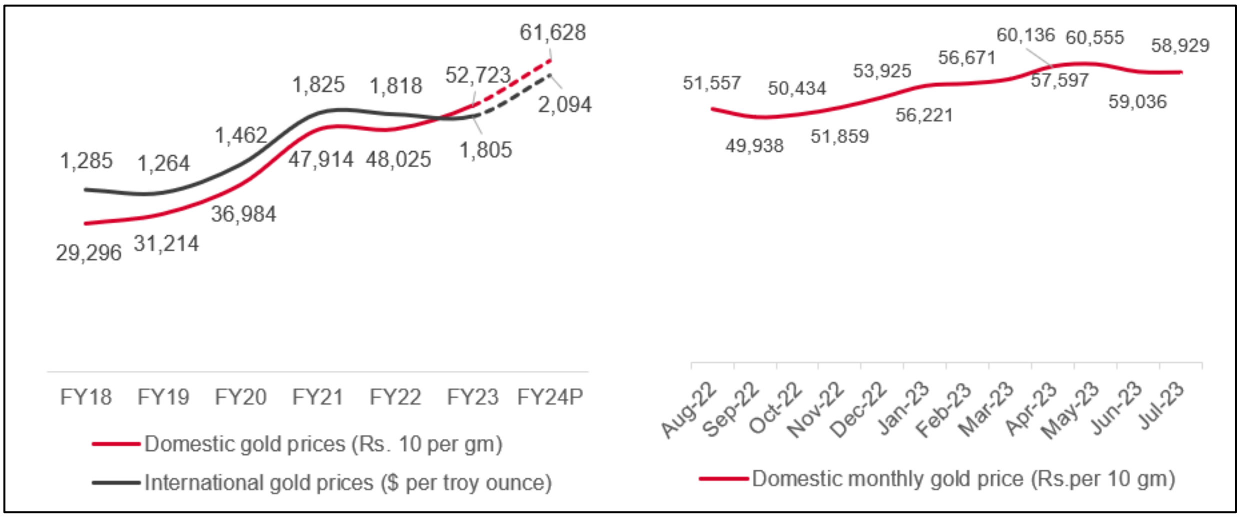
Rising gold prices

The gold finance market is sensitive to movements in gold prices. An increase in gold prices will lower the LTV, creating headroom for incremental credit growth for the same collateral. However, an adverse movement could result in calling the loan early or call for additional margin to maintain the LTV below the regulatory cap of 75%. A sustained downward movement in gold prices adversely impacts credit growth in the segment.

Given the liquid nature of the collateral, gold loans are easier to liquidate, and therefore, recover. Additionally, firming up of gold prices could lead to lower LGD during ECL calculation, which could result in a lower provision cover. Adversely, any weakening in gold prices would result in higher LGD, and consequently, a higher provision cover. Further, given the significance of gold and sentimental value attached to gold jewellery in the Indian culture, customers typically ensure repayments and further redemption of these ornaments. This translates into relatively lower rate of delinquencies in the segment.

International gold prices are expected to inch up further in Fiscal 2024, given the higher inflation outlook, increasing Federal Reserve rate, and global slowdown. In Indian markets, the rupee depreciation and increased import duty supported a rise in gold prices in Fiscal 2023. However, a slowdown in discretionary spending will impact consumption and thereby, demand. Tapering gold imports on a quarterly basis indicates muted demand.

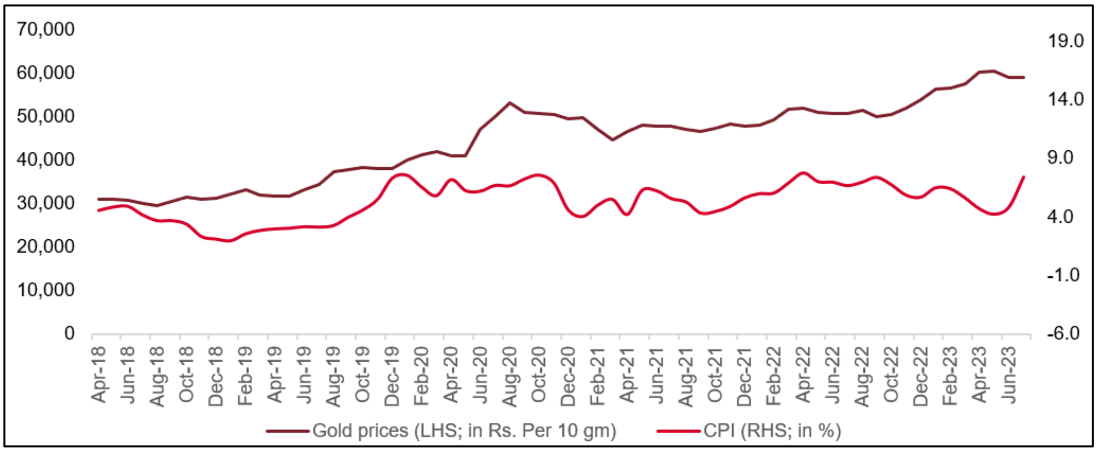
International and domestic gold prices to rise in Fiscal 2024



Note: 1) P: Projected; 2) Prices are averaged for the respective periods
Source: Company reports, CRISIL MI&A Research, World Gold Council, World Bank

Gold is a hedge against inflation

Gold prices have moved in tandem with CPI, proving to be a hedge against inflation



Source: CRISIL MI&A

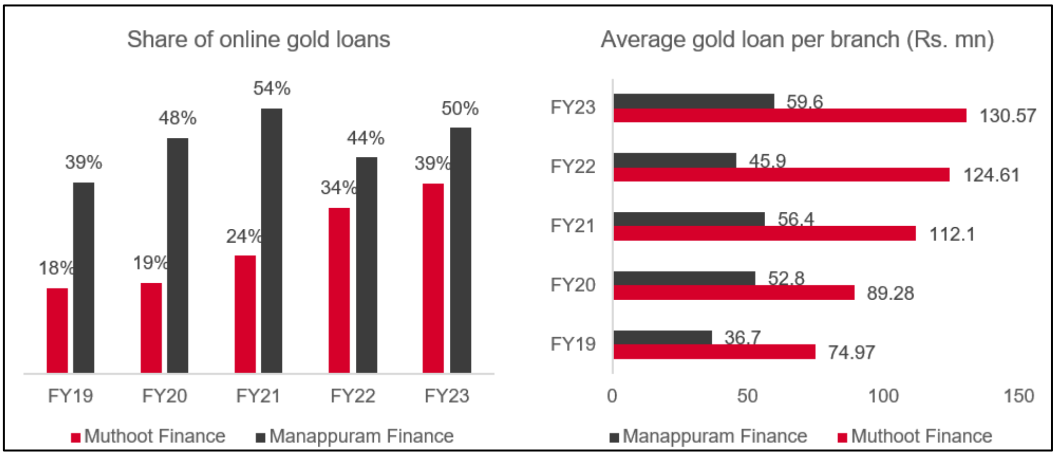
Between Fiscal 2019 and Fiscal 2023, gold prices moved in line with the consumer price index ("**CPI**"). The current trend of rising inflation started during the pandemic period. This was caused by supply chain disruptions during the pandemic, government spending, and very low interest rates held over an extended period. Post the cooling of inflation after the first wave of the pandemic, the CPI crossed the RBI's inflation target range of 6% in May 2021. The average monthly gold price was hovering around ₹ 48,084 per10 gram. Over the subsequent months, both gold and inflation began heading higher with the CPI topping 7.8% in April 2022 and gold hitting its cycle high at ₹ 52,023 per10 gram in the same month. Post this, CPI began to cool off and entered RBI's inflation target range of 4%-6%. Inflation printed 5.9% year-on-year in November 2022. At the same time, gold prices cooled to ₹ 51,859 per 10 gram. Post this, inflation has remained sticky and gold prices too have been on a rising trajectory.

Online gold loan schemes

Online gold loan schemes enable consumers to get gold loans against jewellery stored at the vaults of gold loan NBFCs or their homes. Online gold loan providers have tied up with banks and payment gateway service providers to facilitate this service. These digital gold loan products are sanctioned within a few hours through the online process and can be accessed via mobile applications, on online platforms, with prepaid cards, and so on. KYC checks, registration, and disbursements are all possible online. Though these loans require borrowers to personally deliver gold collateral at their nearest branch, some NBFC lenders have started providing doorstep delivery, wherein the verification of gold ornaments as well as gold collection is done at the customer's residence. These are managed through a central application that is simultaneously accessed by all branches for every transaction.

Manappuram Finance was the first company to launch online gold loans services in September 2015. Muthoot Finance launched its online gold loan scheme through its website and the iMuthoot application in September 2016. In addition to traditional players, fintech companies such as Rupeek have been offering completely digital loans since 2015. Online gold loans have gained traction since their launch.

Rising online loans to increase average gold loan per branch

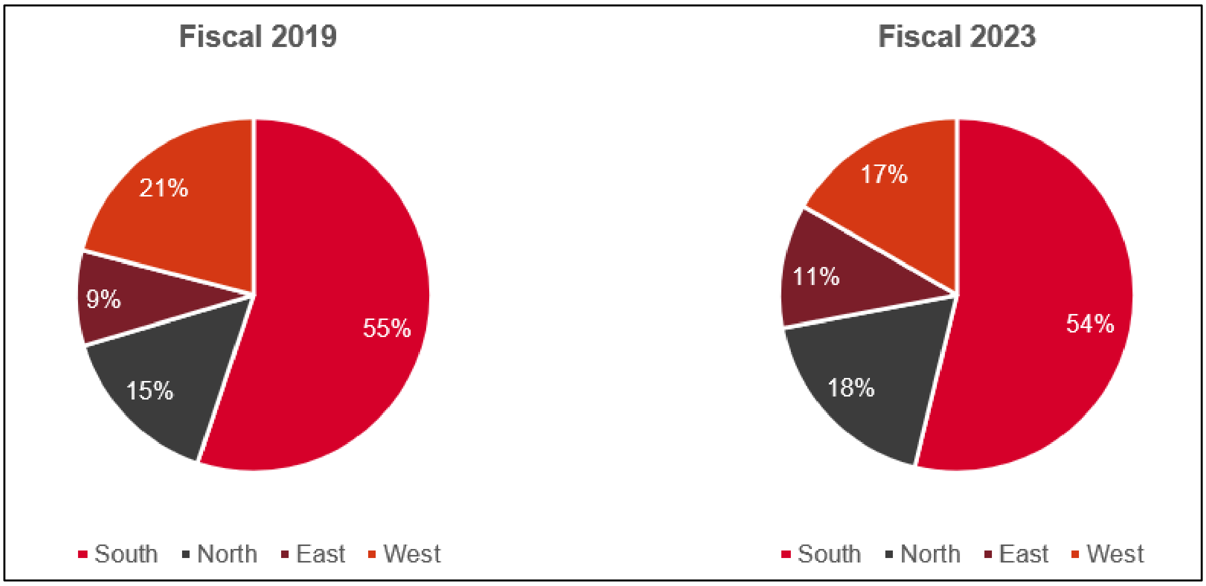


Source: Company reports, CRISIL MI&A Research

Diversification of branches in the non-south regions

Currently, South India continues to dominate overall loan demand among specialised gold loan NBFCs, while the non-south regions are likely to become growth centres. Changing consumer perceptions on gold loans, led by increasing awareness, as well as rising funding requirements, will drive faster growth in the non-south. Branch additions are also mainly taking place in the north and east where their existing numbers are low, indicating expansion potential in these regions.

Region-wise branch distribution



Note: Aggregate includes Muthoot Finance, Manappuram Finance and IIFL Finance
Source: Company reports, CRISIL MI&A Research

Specialised gold loan NBFCs have inherent advantages over others

NBFCs offer convenience, while banks offer lower ROI

	Gold loan NBFCs	Bank	Moneylenders
LTV	Up to 75%	75%	Higher than 75%
Processing fees	None/minimal	Higher compared with NBFCs	None
Interest rate	18-24% p a	7-15% p a	25-50% p a
Penetration	Highly penetrated	Selective branches	Highly penetrated
Mode of disbursal	Cash/cheque	Cheque	Cash
Working hours	Open beyond banking hours	Typical hours	Open beyond banking hours
Regulator	RBI	RBI	Non-regulated
Fixed office place	Proper branches	Proper branches	No fixed place
Customer service	High specialised focus	Non-core	Core focus

	Gold loan NBFCs	Bank	Moneylenders
Documentation required	Minimal	KYC compliance	Minimal
Repayment structure	Flexible repayment structure	EMI-based	-
Average TAT	10 minutes	1-2 hours	>10 minutes

Source: Company reports, CRISIL MI&A Research

Peer comparison

In this chapter, CRISIL MI&A Research has analysed the operational performance and key financial indicators of top 10 NBFC-MFI players in terms of AUM, and some SFBs and Bandhan Bank that have loan portfolios inclined towards the MFI segment. However, the business models of SFBs and Bandhan Bank are different from NBFC-MFIs.

Asirvad Microfinance Limited is the third largest NBFC-MFI in India in terms of AUM as of March 2023

Asirvad Microfinance has maintained its position in the top five leading players throughout. As on March 2023, it is within a small distance of its nearest competitor, which is placed second in terms of AUM. Among the considered NBFC-MFIs, Asirvad Microfinance stood third in terms of AUM growth during Fiscal 2023.

Among banks and SFBs, Bandhan Bank leads in terms of AUM. However, Jana SFB reported the highest year-on-year growth, at 35.86%, followed by Equitas SFB and Ujjivan SFB with year-on-year of 35.27% and 32.61%, respectively.

Among the top 10 NBFC-MFIs, Asirvad Microfinance has the highest percentage of secured assets as compared to peers, indicating better risk balance.

Comparison of key players in the MFI industry

AUM (₹ billion)	Market share#	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Top 10 NBFC-MFIs*						
CreditAccess Grameen Ltd	16.03%	71.59	98.96	113.41	137.32	210.31
IIFL Samasta Finance Ltd	8.04%	22.86	34.00	47.96	64.84	105.52
Asirvad Microfinance Ltd	**7.66%**	**38.41**	**55.03**	**59.85**	**70.20**	**100.41**
Fusion Micro Finance Ltd	7.09%	26.41	36.57	46.38	66.54	92.96
Muthoot Microfin Ltd	7.02%	43.54	49.32	49.77	65.67	92.08
Annapurna Finance Pvt Ltd	6.72%	30.18	40.09	48.08	65.49	88.14
Spandana Sphoorty Financial Ltd	6.08%	43.72	68.29	81.39	61.51	79.80
Satin Creditcare Network Ltd	6.05%	63.74	72.66	72.75	64.09	79.29
Svatantra Microfin Pvt Ltd	5.72%	12.32	26.02	35.64	54.47	74.99
Belstar Microfinance Ltd	4.72%	18.41	23.59	32.99	43.65	61.92
Banks and SFBs^						
Bandhan Bank	NM	447.76	718.46	870.43	993.38	1091.2
Equitas SFB	NM	117.04	153.67	179.25	205.97	278.61
Ujjivan SFB	NM	110.49	141.53	151.40	181.62	240.85
Jana SFB	NM	64.67	101.40	118.51	132.50	180.01
Utkarsh SFB	NM	47.42	66.60	84.15	106.31	139.57
ESAF SFB	NM	45.87	66.07	84.15	121.31	139.24
Fincare SFB	NM	35.30	53.45	60.72	76.00	99.11
Suryoday SFB	NM	29.70	37.11	42.06	50.63	60.15

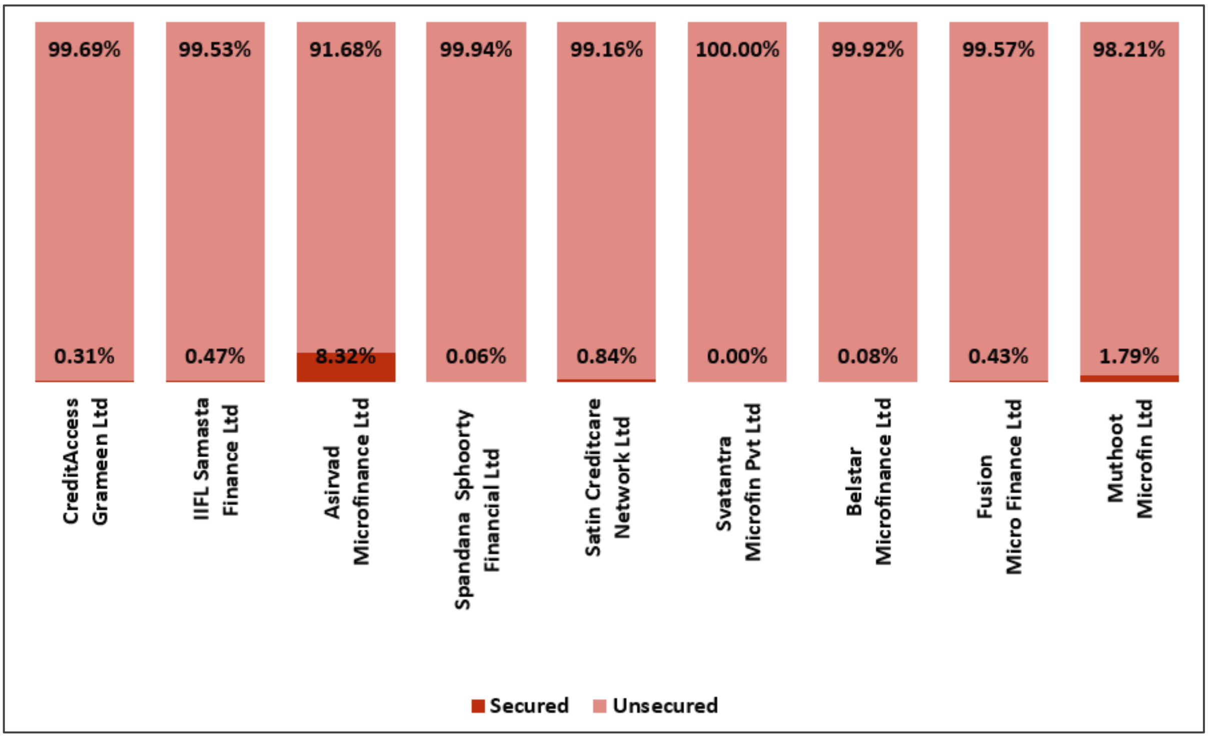
Source: MFIN, company reports, CRISIL MI&A Research
*Note: *AUM for NBFC-MFI players comprises largely of MFI loans and some non-MFI loans allowed as per extant regulations and based on each company's strategy.*
^For Banks and SFBs, total loan advances have been considered as AUM.
#Market share is based on March 2023 AUM of NBFC-MFIs; NBFC MFIs are arranged in order of March 2023 AUM.
NA – Not available; NM – Not meaningful.

AUM	Year-on-year growth Fiscal 2020	Year-on-year growth Fiscal 2021	Year-on-year growth Fiscal 2022	Year-on-year growth Fiscal 2023	CAGR (Fiscal 2019-Fiscal 2023)
Top 10 NBFC-MFIs					
CreditAccess Grameen Ltd	38.23%	14.60%	21.08%	53.15%	30.92%
IIFL Samasta Finance Ltd	48.73%	41.06%	35.20%	62.74%	46.58%
Asirvad Microfinance Ltd	**43.27%**	**8.76%**	**17.29%**	**43.03%**	**27.15%**
Fusion Micro Finance Ltd	38.47%	26.83%	43.47%	39.71%	36.97%
Muthoot Microfin Ltd	13.28%	0.91%	31.95%	40.22%	20.59%
Annapurna Finance Pvt Ltd	32.84%	19.93%	36.21%	34.59%	30.73%
Spandana Sphoorty Financial Ltd	56.20%	19.18%	-24.43%	29.74%	16.23%
Satin Creditcare Network Ltd	13.99%	0.12%	-11.90%	23.72%	5.61%
Svatantra Microfin Pvt Ltd	111.20%	36.97%	52.83%	37.67%	57.07%
Belstar Microfinance Ltd	28.14%	39.85%	32.31%	41.86%	35.42%

AUM	Year-on-year growth Fiscal 2020	Year-on-year growth Fiscal 2021	Year-on-year growth Fiscal 2022	Year-on-year growth Fiscal 2023	CAGR (Fiscal 2019-Fiscal 2023)
Banks and SFBs					
Bandhan Bank	60.46%	21.15%	14.13%	9.85%	24.94%
Equitas SFB	31.29%	16.65%	14.91%	35.27%	24.21%
Ujjivan SFB	28.09%	6.97%	19.96%	32.61%	21.51%
Jana SFB	56.75%	16.91%	11.80%	35.86%	29.17%
Utkarsh SFB	40.46%	26.35%	26.33%	31.29%	30.98%
ESAF SFB	44.04%	27.36%	44.16%	14.78%	32.00%
Fincare SFB	51.42%	13.60%	25.16%	30.41%	29.45%
Suryoday SFB	24.93%	13.34%	20.39%	18.80%	19.29%

Source: MFIN, company reports, CRISIL MI&A Research

Secured-Unsecured Mix of Top 10 NBFC-MFIs



Source: Company reports
Note: Information pertains to Fiscal 2022 for Muthoot Microfin and Fusion Microfinance Limited since annual report of Fiscal 2023 is not available. Information not available for Annapurna Finance.

Disbursement (₹ billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Growth year-on-year Fiscal 2020	Growth year-on-year Fiscal 2021	Growth year-on-year Fiscal 2022	Growth year-on-year Fiscal 2023
Top 10 NBFC-MFIs									
CreditAccess Grameen Ltd	82.21	103.89	96.41	128.33	185.39	26.37%	-7.20%	33.11%	44.46%
IIFL Samasta Finance Ltd	24.18	30.79	36.95	57.10	102.09	27.33%	20.01%	54.53%	78.79%
Asirvad Microfinance Ltd*	**42.85**	**47.80**	**36.20**	**85.57**	**193.76**	**11.55%**	**-24.27%**	**136.38%**	**126.43%**
Fusion Micro Finance Ltd	28.21	35.73	36.76	60.58	83.75	26.68%	2.88%	64.80%	38.25%
Muthoot Microfin Ltd	45.58	40.66	25.81	46.69	81.04	-10.79%	-36.52%	80.90%	73.57%
Annapurna Finance Pvt Ltd	40.09	40.13	30.86	53.23	77.14	0.10%	-23.10%	72.49%	44.92%
Spandana Sphoorty Financial Ltd	49.69	80.04	64.26	31.42	76.24	61.08%	-19.72%	-51.10%	142.65%
Satin Creditcare Network Ltd	62.52	80.45	43.94	40.31	73.90	28.68%	-45.38%	-8.26%	83.33%
Svatantra Microfin Pvt Ltd	11.32	24.86	24.14	47.30	62.86	119.56%	-2.91%	95.94%	32.90%
Belstar Microfinance Ltd	17.97	26.19	24.35	35.46	57.95	45.75%	-7.03%	45.63%	63.42%

Source: MFIN, company reports, CRISIL MI&A Research
*Note: *Disbursements include gold loans as well. Asirvad's disbursement through MFI stood at ₹ 83.97 billion for Fiscal 2023.*

Asirvad Microfinance recorded the third highest number of clients in Fiscal 2023.

Asirvad Microfinance has maintained its position in the top five in terms of client base throughout Fiscal 2019 and Fiscal 2023. In terms of compound annual growth rate, clientele growth was strong for Svatantra Microfin and Belstar Microfinance, at 40.79% and 32.56%, respectively. Growth was in double digits for Asirvad Microfinance, at 16.20%, during the period.

Client outreach	No of Clients (million)				
	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Top 10 NBFC-MFIs					
CreditAccess Grameen Ltd	2.42	2.90	2.90	2.90	4.30
IIFL Samasta Finance Ltd	1.01	1.54	1.60	1.80	2.40
Asirvad Microfinance Ltd	**1.81**	**2.37**	**2.40**	**2.60**	**3.30**
Fusion Micro Finance Ltd	1.55	1.70	2.10	2.70	3.50
Muthoot Microfin Ltd	1.59	1.90	1.90	2.10	2.80
Annapurna Finance Pvt Ltd	1.51	1.75	1.85	2.31	2.50
Spandana Sphoorty Financial Ltd	2.46	2.57	2.40	2.30	2.10
Satin Creditcare Network Ltd	3.15	3.10	2.70	2.50	2.60
Svatantra Microfin Pvt Ltd	0.56	1.01	1.30	1.70	2.20
Belstar Microfinance Ltd	0.68	1.20	1.40	1.80	2.10
Banks and SFBs*					
Bandhan Bank	16.50	20.10	23.00	26.30	30.00
Equitas SFB	NA	2.40	3.90	5.68	NA
Ujjivan SFB	4.67	5.44	4.93	6.48	7.69
Jana SFB	NA	3.07	NA	NA	NA
Utkarsh SFB	2.00	2.50	NA	3.00	NA
ESAF SFB	2.88	2.86	3.89	4.50	NA
Fincare SFB	1.54	2.55	2.09	2.39	2.76
Suryoday SFB	1.18	1.46	1.49	1.92	2.31

*Note: *For Banks and SFBs, clients include total number of customers*
Source: MFIN, company reports, CRISIL MI&A Research

Client outreach	Client growth				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	CAGR (Fiscal 2019-Fiscal 2023)
Top 10 NBFC-MFIs					
CreditAccess Grameen Ltd	19.98%	0.00%	0.00%	48.28%	15.49%
IIFL Samasta Finance Ltd	52.48%	3.90%	12.50%	33.33%	24.16%
Asirvad Microfinance Ltd	**30.94%**	**1.27%**	**8.33%**	**26.92%**	**16.20%**
Fusion Micro Finance Ltd	9.68%	23.53%	28.57%	29.63%	22.58%
Muthoot Microfin Ltd	19.50%	0.00%	10.53%	33.33%	15.20%
Annapurna Finance Pvt Ltd	15.89%	5.71%	24.86%	8.23%	13.43%
Spandana Sphoorty Financial Ltd	4.47%	-6.61%	-4.17%	-8.70%	-3.88%
Satin Creditcare Network Ltd	-1.59%	-12.90%	-7.41%	4.00%	-4.68%
Svatantra Microfin Pvt Ltd	80.36%	28.71%	30.77%	29.41%	40.79%
Belstar Microfinance Ltd	76.47%	16.67%	28.57%	16.67%	32.56%
Banks and SFBs					
Bandhan Bank	21.82%	14.43%	14.35%	14.07%	16.12%
Equitas SFB	NA	62.50%	45.64%	NA	NA
Ujjivan SFB	16.49%	-9.38%	31.44%	18.67%	13.28%
Jana SFB	NM	NM	NM	NM	NA
Utkarsh SFB	NM	NM	NM	NM	NA
ESAF SFB	-0.73%	35.73%	15.80%	NM	NA
Fincare SFB	66.12%	-18.04%	14.35%	15.48%	15.80%
Suryoday SFB	23.73%	2.05%	28.86%	20.31%	18.29%

Notes: NA – Not available; NM – Not meaningful
Source: MFIN, company reports, CRISIL MI&A Research

Asirvad Microfinance stood second in terms of number of employees and number of branches.

In terms of number of loans disbursed per loan officer, its position improved to first in Fiscal 2023 from fourth in Fiscal 2022.

Reach and efficiency parameters (Fiscal 2023)	No of employees	No. of loan officers	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer	No. of loans disbursed
Top 10 NBFC-MFIs								
CreditAccess Grameen Ltd	16,759	15,712	1,786	254	2,388	271	311	4,883,000

Reach and efficiency parameters (Fiscal 2023)	No of employees	No. of loan officers	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer	No. of loans disbursed
IIFL Samasta Finance Ltd	12,213	6,214	1,267	193	1,858	379	382	2,372,000
Asirvad Microfinance Ltd*	**15,874**	**8,736**	**1,684**	**210**	**1,983**	**382**	**450**	3,928,000
Fusion Micro Finance Ltd	9,625	6,269	1,019	365	3,452	561	352	2,209,000
Muthoot Microfin Ltd	10,227	6,274	1,172	271	2,366	442	340	2,134,000
Annapurna Finance Pvt Ltd	10,356	6,501	1,183	241	2,106	383	231	1,500,000
Spandana Sphoorty Financial Ltd	9,674	7,503	1,153	220	1,844	283	220	1,648,000
Satin Creditcare Network Ltd	9,222	6,125	1,078	278	2,374	418	285	1,748,000
Svatantra Microfin Pvt Ltd	7,272	4,685	804	306	2,770	475	351	1,643,000
Belstar Microfinance Ltd	8,022	4,533	767	262	2,742	464	297	1,346,000

Source: MFIN, company reports, CRISIL MI&A Research
*Note: *For loans disbursed per loan officer, disbursements include gold loans as well*

Reach and efficiency parameters (Fiscal 2022)	No of employees	No. of loan officers	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer	No. of loans disbursed
Top 10 NBFC-MFIs								
CreditAccess Grameen Ltd	11,951	8,257	1,164	244	2,510	354	414	3,415,000
IIFL Samasta Finance Ltd	10,730	5,861	807	163	2,171	299	248	1,453,000
Asirvad Microfinance Ltd*	**12,581**	**7,507**	**1,525**	**205**	**1,688**	**343**	**292**	2,190,000
Fusion Micro Finance Ltd	8,716	8,399	900	312	3,020	324	202	1,699,000
Muthoot Microfin Ltd	8,003	5,635	905	256	2,266	364	242	1,363,000
Annapurna Finance Pvt Ltd	8,606	5,809	984	269	2,253	399	228	1,324,000
Spandana Sphoorty Financial Ltd	8,379	6,220	1,049	271	2,168	366	112	698,000
Satin Creditcare Network Ltd	10,736	7,058	1029	229	2,385	348	136	957,000
Svatantra Microfin Pvt Ltd	5,957	3,472	692	282	2,431	485	364	1,265,000
Belstar Microfinance Ltd	5,939	3,299	729	308	2,511	555	307	1,013,000

Source: MFIN, company reports, CRISIL Research
*Note: *For loans disbursed per loan officer, disbursements include gold loans as well*

Reach and efficiency parameters (Fiscal 2021)	No of employees	No of loan officers	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer	No. of loans disbursed
Top 10 NBFC-MFIs								
CreditAccess Grameen Ltd	10,625	7,451	964	270	2,979	385	360	2,683,000
IIFL Samasta Finance Ltd	6,835	4,060	618	237	2,618	237	268	1,090,000
Asirvad Microfinance Ltd*	**7,233**	**4,490**	**1,062**	**334**	**2,273**	**538**	**276**	**1,241,000**
Fusion Micro Finance Ltd	6,406	4,188	710	331	2,987	506	273	1,145,000
Muthoot Microfin Ltd	6,961	4,622	755	267	2,461	402	165	762,000
Annapurna Finance Pvt Ltd	7,304	4,492	870	253	2,126	412	191	858,000
Spandana Sphoorty Financial Ltd	8,644	6,721	1,052	283	2,324	364	211	1,418,000
Satin Creditcare Network Ltd	10,612	6,588	1,011	250	2,627	408	201	1,327,000
Svatantra Microfin Pvt Ltd	4,613	2,468	512	279	2,518	522	268	661,000
Belstar Microfinance Ltd	4,562	2,105	649	303	2,127	656	336	707,000

Source: MFIN, company reports, CRISIL MI&A Research
*Note: *For loans disbursed per loan officer, disbursements include gold loans as well*

Banks and SFBs

Reach and efficiency parameters (Fiscal 2023)*	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Bandhan Bank	69,702	5,999	430	5,001	NM	NM
Equitas SFB	20,563	922	NA	NA	NM	NM
Ujjivan SFB	17,870	629	430	12,226	NM	NM
Jana SFB	NA	NA	NA	NA	NM	NM
Utkarsh SFB	15,424	830	NA	NA	NM	NM
ESAF SFB	NA	NA	NA	NA	NM	NM
Fincare SFB	14,804	1231	186	2242	NM	NM
Suryoday SFB	6,025	577	383	4,003	NM	NM

Notes: NM – Not meaningful

**For Banks and SFBs, clients includes total number of customers.*
Source: MFIN, company reports, CRISIL MI&A Research

Geographical presence of select players

Asirvad Microfinance is most diversified with the highest number of districts among the top 10 NBFC-MFIs and stands second in terms of presence in states. It also ranked second based on average branches per state for Fiscal 2023. Basis the data available, Asirvad Microfinance has the lowest concentration with 38% in Top 3 states among the top 10 NBFC-MFIs.

Asirvad Microfinance grew geographically between Fiscal 2015 and Fiscal 2016 i.e from five states in Fiscal 2015 to 13 states in Fiscal 2016. It expanded to 110 districts in Fiscal 2016 from 44 districts in Fiscal 2015.

No. of states	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Top 10 NBFC-MFIs					
CreditAccess Grameen Ltd	14	14	14	14	15
IIFL Samasta Finance Ltd	17	17	17	17	19
Asirvad Microfinance Ltd	**23**	**23**	**23**	**23**	**23**
Fusion Micro Finance Ltd	18	18	18	18	20
Muthoot Microfin Ltd	16	16	16	16	18
Annapurna Finance Pvt Ltd	18	18	18	20	20
Spandana Sphoorty Financial Ltd	18	18	18	18	18
Satin Creditcare Network Ltd	23	23	23	23	24
Svatantra Microfin Pvt Ltd	17	17	19	19	19
Belstar Microfinance Ltd	18	18	18	18	18
Banks and SFBs					
Bandhan Bank	34	34	34	34	34
Equitas SFB	13	15	17	18	18
Ujjivan SFB	24	24	24	24	25
Jana SFB	NA	NA	NA	NA	NA
Utkarsh SFB	11	15	16	22	26
ESAF SFB	14	18	21	21	NA
Fincare SFB	13	19	13	17	19
Suryoday SFB	11	12	13	14	15

Notes:
NA – Not available
Source: MFIN, company reports, CRISIL MI&A Research

No. of districts	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Top 10 NBFC-MFIs					
CreditAccess Grameen Ltd	157	230	247	301	351
IIFL Samasta Finance Ltd	210	228	252	288	332
Asirvad Microfinance Ltd	**290**	**314**	**326**	**408**	**450**
Fusion Micro Finance Ltd	254	283	323	361	385
Muthoot Microfin Ltd	217	245	249	281	321
Annapurna Finance Pvt Ltd	232	292	320	346	388
Spandana Sphoorty Financial Ltd	263	280	282	294	314
Satin Creditcare Network Ltd	340	383	372	374	384
Svatantra Microfin Pvt Ltd	149	221	247	303	336
Belstar Microfinance Ltd	76	155	170	186	216
Banks and SFBs					
Bandhan Bank	NA	NA	NA	566	600
Equitas SFB	NA	NA	NA	NA	NA
Ujjivan SFB	223	244	248	248	271
Jana SFB	NA	NA	NA	NA	NA
Utkarsh SFB	48	173	188	224	253
ESAF SFB	124	NA	NA	NA	NA
Fincare SFB	144	177	271	246	490
Suryoday SFB	NA	NA	NA	NA	NA

Source: MFIN, company reports, CRISIL MI&A Research

No. of districts	Ranks
Top 10 NBFC-MFIs	
CreditAccess Grameen Ltd	5
IIFL Samasta Finance Ltd	7
Asirvad Microfinance Ltd	**1**
Fusion Micro Finance Ltd	3
Muthoot Microfin Ltd	8
Annapurna Finance Pvt Ltd	2
Spandana Sphoorty Financial Ltd	9

No. of districts	Ranks
Satin Creditcare Network Ltd	4
Svatantra Microfin Pvt Ltd	6
Belstar Microfinance Ltd	10
Banks and SFBs	
Bandhan Bank	1
Equitas SFB	-
Ujjivan SFB	3
Jana SFB	-
Utkarsh SFB	4
ESAF SFB	-
Fincare SFB	2
Suryoday SFB	-

Source: MFIN, company reports, CRISIL MI&A Research

Average number of branches per state	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Top 10 NBFC-MFIs					
CreditAccess Grameen Ltd	48	66	69	83	119
IIFL Samasta Finance Ltd	29	33	36	47	67
Asirvad Microfinance Ltd	**39**	**43**	**44**	**64**	**73**
Fusion Micro Finance Ltd	29	33	39	50	51
Muthoot Microfin Ltd	35	43	47	57	65
Annapurna Finance Pvt Ltd	32	40	48	49	59
Spandana Sphoorty Financial Ltd	51	56	58	58	64
Satin Creditcare Network Ltd	42	50	44	45	45
Svatantra Microfin Pvt Ltd	16	26	27	36	42
Belstar Microfinance Ltd	22	34	36	41	43
Banks and SFBs					
Bandhan Bank	118	134	156	166	176
Equitas SFB	30	57	51	48	51
Ujjivan SFB	20	24	24	24	25
Jana SFB	NA	NA	NA	NA	NA
Utkarsh SFB	44	34	35	31	32
ESAF SFB	30	25	26	27	NA
Fincare SFB	44	37	62	54	65
Suryoday SFB	35	40	43	40	38

Notes:
NA – Not available
Source: MFIN, company reports, CRISIL MI&A Research

Fiscal 2023	Share of rural portfolio	Share of top states by AUM
Top 10 NBFC-MFIs		
CreditAccess Grameen Ltd	85%**	74.30% in top 3 states
IIFL Samasta Finance Ltd	NA	NA
Asirvad Microfinance Ltd	NA	38.00% in top 3 states#
Fusion Micro Finance Ltd	93%	53.00% in top 3 states
Muthoot Microfin Ltd	NA	54.81% in top 3 states
Annapurna Finance Pvt Ltd	NA	NA
Spandana Sphoorty Financial Ltd	87%*	44.80% in top 3 states
Satin Creditcare Network Ltd	77%*	NA
Svatantra Microfin Pvt Ltd	NA	NA
Belstar Microfinance Ltd	88%**	NA
Banks and SFBs		
Bandhan Bank	35%^	NA
Equitas SFB	NA	NA
Ujjivan SFB	7%*	41.13% in top 3 states
Jana SFB	NA	NA
Utkarsh SFB	63%**	NA
ESAF SFB	NA	NA
Fincare SFB	93.47%**	NA
Suryoday SFB	NA	NA

Notes:
NA – Not available
**Share of rural clients as a percentage of loan portfolio in Fiscal 2023*
***Share of rural clients is a percentage of borrower base in Fiscal 2023*
^ Share of rural clients is a percentage of banking outlets
#Consists only of MFI AUM
Source: MFIN, company reports, CRISIL MI&A Research

Asirvad Microfinance stood third in terms of branches per district among top 10 NBFC-MFIs in Fiscal 2023

Productivity metrics	No of branches per district				
	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Top 10 NBFC-MFIs					
CreditAccess Grameen Ltd	4.27	4.04	3.90	3.87	5.09
IIFL Samasta Finance Ltd	2.35	2.46	2.45	2.80	3.82
Asirvad Microfinance Ltd	**3.25**	**3.32**	**3.26**	**3.74**	**3.74**
Fusion Micro Finance Ltd	2.05	2.09	2.20	2.49	2.65
Muthoot Microfin Ltd	2.57	2.82	3.03	3.22	3.65
Annapurna Finance Pvt Ltd	2.46	2.46	2.72	2.84	3.05
Spandana Sphoorty Financial Ltd	3.49	3.61	3.73	3.57	3.67
Satin Creditcare Network Ltd	2.87	2.98	2.72	2.75	2.81
Svatantra Microfin Pvt Ltd	1.85	2.02	2.07	2.28	2.39
Belstar Microfinance Ltd	5.26	3.89	3.82	3.92	3.55

Source: MFIN, CRISIL MI&A Research

Asirvad Microfinance has diversified geographically and reduced its dependency on few districts. This is reflected from its low AUM per district among select NBFC-MFIs in Fiscal 2023. This geographic expansion across districts can also be seen by an increase in branches, which has led to a lower AUM per branch as well.

Productivity metrics	AUM per branch (₹ million)					AUM per district (₹ million)				
	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Top 10 NBFC-MFIs*										
CreditAccess Grameen Ltd	106.85	106.52	117.65	117.97	117.75	455.99	430.26	459.15	456.21	599.17
IIFL Samasta Finance Ltd	46.37	60.61	77.61	80.35	83.28	108.86	149.12	190.32	225.14	317.83
Asirvad Microfinance Ltd	**40.77**	**52.81**	**56.36**	**46.03**	**59.63**	**132.45**	**175.25**	**183.59**	**172.06**	**223.13**
Fusion Micro Finance Ltd	50.79	61.88	65.32	73.93	91.23	103.98	129.22	143.59	184.32	241.45
Muthoot Microfin Ltd	78.17	71.27	65.92	72.56	78.57	200.65	201.31	199.88	233.70	286.85
Annapurna Finance Pvt Ltd	52.95	55.84	55.26	66.55	74.51	130.09	137.29	150.25	189.28	227.16
Spandana Sphoorty Financial Ltd	47.57	67.61	77.37	58.64	69.21	166.24	243.89	288.62	209.22	254.14
Satin Creditcare Network Ltd	65.24	63.74	71.96	62.28	73.55	187.47	189.71	195.56	171.36	206.48
Svatantra Microfin Pvt Ltd	44.80	58.34	69.61	78.71	93.27	82.68	117.74	144.29	179.77	223.18
Belstar Microfinance Ltd	46.03	39.12	50.83	59.88	80.73	242.24	152.19	194.06	234.68	286.67
Banks and SFBs^										
Bandhan Bank	111.94	157.59	163.92	176.16	181.90	NA	NA	NA	1755.09	1818.67
Equitas SFB	298.58	179.94	208.19	237.02	302.18	NA	NA	NA	NA	NA
Ujjivan SFB	233.10	246.14	263.30	315.86	382.91	495.47	580.04	610.48	732.34	888.75
Jana SFB	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Utkarsh SFB	98.37	131.36	150.81	154.97	168.16	987.82	384.97	447.61	474.59	551.66
ESAF SFB	108.44	145.52	152.17	210.97	NA	NA	NA	NA	NA	NA
Fincare SFB	62.04	75.18	75.06	82.70	80.52	245.14	301.98	224.07	308.95	202.27
Suryoday SFB	77.75	77.80	75.65	89.62	104.25	NA	NA	NA	NA	NA

*Notes: *AUM for NBFC-MFI players comprises largely of MFI loans and some non-MFI loans allowed as per extant regulations and based on each company's strategy.*
^For Banks and SFBs, total loan advances have been considered as AUM
NA – Not available
Source: MFIN, company reports, CRISIL MI&A Research

Productivity metrics	AUM per employee (₹ million)					AUM per customer# (₹)				
	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Top 10 NBFC-MFIs*										
CreditAccess Grameen Ltd	8.88	9.14	10.67	11.49	12.55	29,619	34,124	39,107	47,352	48,909
IIFL Samasta Finance Ltd	4.75	5.80	7.02	6.04	8.64	22,634	22,078	29,975	36,022	43,967
Asirvad Microfinance Ltd	**7.76**	**8.87**	**8.27**	**5.58**	**6.33**	**21,221**	**23,219**	**24,938**	**27,000**	**30,427**
Fusion Micro Finance Ltd	6.01	6.57	7.24	7.63	9.66	17,039	21,512	22,086	24,644	26,560
Muthoot Microfin Ltd	6.37	6.79	7.15	8.21	9.00	27,384	25,958	26,195	31,271	32,886
Annapurna Finance Pvt Ltd	6.10	6.73	6.58	7.61	8.51	19,987	22,909	25,989	28,351	35,256
Spandana Sphoorty Financial Ltd	6.57	8.30	9.42	7.34	8.25	17,772	26,572	33,913	26,743	38,000
Satin Creditcare Network Ltd	6.12	6.52	6.86	5.97	8.60	20,235	23,439	26,944	25,636	30,496
Svatantra Microfin Pvt Ltd	4.93	6.63	7.73	9.14	10.31	22,000	25,762	27,415	32,041	34,086
Belstar Microfinance Ltd	6.40	5.33	7.23	7.35	7.72	27,074	19,658	23,564	24,250	29,486
Banks and SFBs										

Productivity metrics	AUM per employee (₹ million)					AUM per customer# (₹)				
	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Bandhan Bank	13.84	18.07	17.60	16.50	15.66	27,137	35,744	37,845	37,771	36,373
Equitas SFB	7.99	9.54	10.83	11.70	13.55	NA	64029	45962	36262	NA
Ujjivan SFB	7.49	7.93	9.14	10.75	13.48	23,660	26,017	30,710	28,028	31,320
Jana SFB	3.86	6.25	7.02	NA	NA	NA	33028	NA	NA	NA
Utkarsh SFB	7.43	7.54	8.12	8.43	9.05	23708	26640	NA	35436	NA
ESAF SFB	21.16	19.80	22.13	29.29	NA	15905	23075	21655	26957	NA
Fincare SFB	6.42	7.26	6.86	6.48	6.70	22997	20961	29054	31800	35911
Suryoday SFB	7.56	7.90	8.20	9.64	9.98	25,169	25,418	28,228	26,372	26,039

*Notes: *AUM for NBFC-MFI players comprises largely of MFI loans and some non-MFI loans allowed as per extant regulations and based on each company's strategy.*
^For Banks and SFBs, total loan advances have been considered as AUM
NM – Not meaningful
#For Banks and SFBs, customer includes total number of clients.
Source: MFIN, company reports, CRISIL MI&A Research

Productivity metrics	AUM per loan officer (₹ million)				
	As of March 31,19	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23
Top 10 NBFC-MFIs*					
CreditAccess Grameen Ltd	12.41	12.83	15.22	16.63	13.39
IIFL Samasta Finance Ltd	7.93	9.66	11.81	11.06	16.98
Asirvad Microfinance Ltd	**14.36**	**16.49**	**13.33**	**9.35**	**11.49**
Fusion Micro Finance Ltd	9.30	10.34	11.07	7.92	14.83
Muthoot Microfin Ltd	11.05	10.37	10.77	11.65	14.68
Annapurna Finance Pvt Ltd	10.27	11.28	10.70	11.27	13.56
Spandana Sphoorty Financial Ltd	9.36	11.19	12.11	9.89	10.64
Satin Creditcare Network Ltd	10.64	11.16	11.04	9.08	12.95
Svatantra Microfin Pvt Ltd	7.80	12.35	14.44	15.69	16.01
Belstar Microfinance Ltd	12.73	11.35	15.67	13.23	13.66

*Notes: *AUM for NBFC-MFI players comprises largely of MFI loans and some non-MFI loans allowed as per extant regulations and based on each company's strategy. ^For Banks and SFBs, total loan advances have been considered as AUM*
NA – Not available
Number of loan officers is not available for Banks and SFBs, hence is excluded from the table.
Source: MFIN, company reports, CRISIL MI&A Research

Asirvad Microfinance stood first both in terms of disbursement per branch and disbursement per employee in Fiscal 2023.

Productivity metrics	Disbursement per branch (₹ million)					Disbursement per employee (₹ million)				
	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Top 10 NBFC-MFIs										
CreditAccess Grameen Ltd	122.70	111.83	100.01	110.25	103.80	10.19	9.60	9.07	10.74	11.06
IIFL Samasta Finance Ltd	49.05	54.88	59.79	70.76	80.58	5.03	5.25	5.41	5.32	8.36
Asirvad Microfinance Ltd*	**45.49**	**45.87**	**34.09**	**56.11**	**115.06**	**8.65**	**7.70**	**5.00**	**6.80**	**12.21**
Fusion Micro Finance Ltd	54.24	60.46	51.77	67.31	82.19	6.41	6.42	5.74	6.95	8.70
Muthoot Microfin Ltd	81.82	58.76	34.19	51.59	69.15	6.67	5.60	3.71	5.83	7.92
Annapurna Finance Pvt Ltd	70.33	55.89	35.47	54.10	65.21	8.11	6.74	4.23	6.19	7.45
Spandana Sphoorty Financial Ltd	54.07	79.25	61.08	29.95	66.12	7.47	9.73	7.43	3.75	7.88
Satin Creditcare Network Ltd	63.99	70.57	43.46	39.17	68.55	6.00	7.22	4.14	3.75	8.01
Svatantra Microfin Pvt Ltd	41.18	55.75	47.15	68.35	78.18	4.53	6.33	5.23	7.94	8.64
Belstar Microfinance Ltd	44.93	43.44	37.52	48.64	75.55	6.25	5.92	5.34	5.97	7.22

Source: MFIN, company reports, CRISIL MI&A Research
*Note: *Disbursements include gold loans as well*

Asirvad Microfinance ranked lowest among the selected NBFC-MFIs in terms of average portfolio outstanding per account.

The ticket size of Asirvad Microfinance based on disbursements increased significantly on-year at 26.25% in Fiscal 2023.

Productivity metrics	Average portfolio outstanding per account (₹)					Average ticket size based on disbursements (₹)				
	As of Fiscal 2019	As of Fiscal 2020	As of Fiscal 2021	As of Fiscal 2022	As of Fiscal 2023	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Top 10 NBFC-MFIs										
CreditAccess Grameen Ltd	17,288	17,920	26,884	30,223	28,680	21,379	20,000	35,938	37,576	37,965
IIFL Samasta Finance Ltd	20,458	18,653	23,734	29,770	44,000	27,072	27,279	33,900	39,294	43,038
Asirvad Microfinance Ltd*	**13,146**	**14,570**	**15,866**	**19,749**	**25,262**	**20,466**	**22,628**	**29,268**	**39,070**	**49,324**
Fusion Micro Finance Ltd	16,771	19,539	21,550	23,873	25,550	26,427	29,801	32,113	35,668	37,922
Muthoot Microfin Ltd	23,150	21,833	21,840	22,889	27,418	31,161	33,164	33,855	34,252	37,985
Annapurna Finance Pvt Ltd	19,776	22,672	23,537	24,469	34,605	31,338	35,207	35,989	40,198	51,436
Spandana Sphoorty Financial Ltd	14,723	22,300	31,012	24,753	35,182	26,279	34,308	45,318	45,025	46,256
Satin Creditcare Network Ltd	17,682	19,974	24,419	24,246	29,489	26,723	31,486	33,113	42,113	42,276
Svatantra Microfin Pvt Ltd	21,011	10,661	13,114	26,581	25,373	29,995	36,252	36,517	37,399	38,252
Belstar Microfinance Ltd	21,283	13,723	18,635	23,686	27,021	29,355	30,747	34,430	35,025	43,051

Source: MFIN, company reports, CRISIL MI&A Research
*Note: *Average ticket size based on disbursements include Gold loans as well.*

Asirvad Microfinance is one of the youngest NBFC-MFI players with a relatively strong credit rating of CRISIL 'AA-'

Among the top 10 NBFC-MFIs, Asirvad Microfinance was the first one to receive AA- rating from CRISIL and was the fastest to receive AA- rating.

Top 10 NBFC-MFIs	Date of incorporation	NBFC-MFI / SFB status date	Credit rating as of March 2023	No of years to achieve AA- rating
CreditAccess Grameen Ltd	1991	2013	ICRA AA-, CRISIL A+, IND AA-	11 years (ICRA)
Fusion Micro Finance Ltd	1994	2014	CRISIL A, ICRA A, CARE A	NA
Asirvad Microfinance Ltd	**2007**	**2013**	**CRISIL AA-**	3 years (CRISIL)
Muthoot Microfin Ltd	1992	2015	CRISIL A+, IND A	NA
IIFL Samasta Finance Ltd	1995	2013	CRISIL AA-, ICRA A+	4 years (CRISIL)
Annapurna Finance Pvt Ltd	1986	2013	CRISIL A-, ICRA A-, CARE A-	NA
Svatantra Microfin Pvt Ltd	2012	2013	CRISIL A+, ICRA A+, CARE AA-	4 years (CARE)
Satin Creditcare Network Ltd	1990	2013	ICRA A-, CARE BBB+	NA
Spandana Sphoorty Financial Ltd	2003	2015	CRISIL A , ICRA A-, IND A,	NA
Belstar Microfinance Ltd	1988	2013	CRISIL AA-, ACUITE AA, CARE AA-, ICRA A+	7 years (CRISIL)

Source: Company reports, Rating rationales, CRISIL MI&A Research

Asirvad Microfinance stood second lowest in terms of cost of borrowing and fourth highest in terms of NIM (net interest margin) in Fiscal 2023 among top 10 NBFC-MFIs.

Fiscal 2023	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	NA	9.05%	11.54%	4.54%	8.22%	2.19%
IIFL Samasta Finance Ltd	22.96%	9.37%	12.45%	13.12%	2.13%	0.06%
Asirvad Microfinance Ltd	**21.35%**	**9.01%**	**10.77%**	**6.41%**	**6.88%**	**3.22%**
Fusion Micro Finance Ltd	NA	10.24%	11.50%	5.34%	8.55%	2.41%
Muthoot Microfin Ltd	NA	10.47%	10.50%	6.53%	6.18%	3.16%
Annapurna Finance Pvt Ltd	20.39%	10.03%	6.90%	6.32%	5.15%	4.59%
Spandana Sphoorty Financial Ltd	18.33%	9.31%	9.48%	5.38%	6.46%	6.23%
Satin Creditcare Network Ltd	NA	10.56%	7.78%	5.89%	9.90%	5.36%
Svatantra Microfin Pvt Ltd	NA	9.93%	10.26%	4.75%	7.95%	5.36%
Belstar Microfinance Ltd	20.85%	8.72%	9.57%	5.73%	3.97%	2.68%
Banks and SFBs						
Bandhan Bank	13.86%	8.72%	6.29%	3.15%	4.81%	3.32%
Equitas SFB	16.67%	6.48%	8.22%	6.58%	3.80%	1.32%
Ujjivan SFB	19.73%	6.08%	9.48%	6.33%	5.22%	1.35%
Jana SFB	17.69%	6.96%	7.24%	5.61%	4.37%	3.25%
Utkarsh SFB	19.56%	6.80%	8.95%	5.79%	4.91%	2.54%
ESAF SFB	19.81%	6.02%	9.68%	6.49%	4.71%	2.57%

Fincare SFB	20.19%	6.47%	9.33%	7.48%	3.79%	2.90%
Suryoday SFB	19.04%	6.10%	8.28%	5.61%	3.74%	2.62%

Source: Company reports, CRISIL MI&A Research
*Note: *Year end average cost of borrowings*

Fiscal 2022	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	19.16%	8.18%	9.72%	4.99%	5.95%	3.27%
IIFL Samasta Finance Ltd	20.54%	8.96%	10.91 %	6.08%	5.48%	1.83%
Asirvad Microfinance Ltd	**22.14%**	**11.22%**	**9.64%**	**6.51%**	**6.60%**	**6.28%**
Fusion Micro Finance Ltd	20.56%	9.72%	8.66%	4.76%	5.99%	5.62%
Muthoot Microfin Ltd	18.04%	9.70%	7.95%	6.69%	3.60%	2.27%
Annapurna Finance Pvt Ltd	21.33%	10.16%	6.62%	5.75%	3.36%	3.00%
Spandana Sphoorty Financial Ltd	20.57%	11.64%	9.69%	4.56%	6.98%	6.13%
Satin Creditcare Network Ltd	21.31%	10.56%	7.39%	5.58%	3.02%	2.30%
Svatantra Microfin Pvt Ltd	17.48%	9.56%	7.71%	5.18%	5.69%	3.03%
Belstar Microfinance Ltd	20.84%	9.17%	9.61%	5.76%	5.13%	3.73%
Banks and SFBs						
Bandhan Bank	13.88%	4.88%	6.86%	2.78%	6.31%	6.21%
Equitas SFB	17.33%	6.75%	7.89%	6.60%	3.38%	1.91%
Ujjivan SFB	16.73%	5.70%	8.07%	6.80%	2.69%	5.19%
Jana SFB	19.60%	7.58%	7.08%	5.80%	2.93%	2.90%
Utkarsh SFB	17.85%	6.92%	7.80%	5.41%	3.74%	3.15%
ESAF SFB	17.44%	5.99%	7.64%	5.74%	3.27%	2.78%
Fincare SFB	21.45%	7.07%	9.28%	6.85%	4.57%	4.51%
Suryoday SFB	18.72%	6.31%	7.85%	5.55%	3.56%	5.26%

Source: Company reports, CRISIL MI&A Research
*Note:*Year end average cost of borrowings*

Fiscal 2021	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	19.67%	8.92%	9.74%	4.60%	6.45%	5.54%
IIFL Samasta Finance Ltd	21.77%	9.25%	12.28 %	7.93%	4.74%	2.41%
Asirvad Microfinance Ltd	**20.22%**	**10.03%**	**8.52%**	**4.93%**	**5.63%**	**5.11%**
Fusion Micro Finance Ltd	20.92%	10.13%	8.98%	4.37%	5.51%	4.38%
Muthoot Microfin Ltd	20.67%	10.08%	7.77%	6.20%	3.39%	3.18%
Annapurna Finance Pvt Ltd	22.67%	11.63%	7.52%	5.17%	3.67%	3.64%
Spandana Sphoorty Financial Ltd	22.19%	10.16%	12.72 %	3.22%	11.44%	8.96%
Satin Creditcare Network Ltd	20.17%	10.80%	6.64%	5.19%	3.53%	3.66%
Svatantra Microfin Pvt Ltd	17.92%	10.53%	5.68%	5.25%	3.64%	2.48%
Belstar Microfinance Ltd	20.79%	9.99%	9.65%	6.05%	4.60%	2.70%
Banks and SFBs						
Bandhan Bank	14.69%	5.89%	7.32%	2.73%	6.55%	3.70%
Equitas SFB	18.96%	7.66%	8.17%	6.04%	4.03%	1.70%
Ujjivan SFB	18.22%	6.93%	8.91%	6.34%	4.13%	4.08%
Jana SFB	21.34%	8.30%	7.60%	6.30%	2.71%	2.21%
Utkarsh SFB	19.12%	8.23%	7.79%	5.06%	3.89%	2.33%
ESAF SFB	20.03%	7.60%	8.45%	5.79%	3.82%	2.53%
Fincare SFB	22.70%	8.63%	9.29%	6.14%	4.84%	2.90%
Suryoday SFB	17.73%	8.09%	6.80%	5.44%	2.62%	2.42%

Source: Company reports, CRISIL MI&A Research
*Note:*Year end average cost of borrowings*

Fiscal 2020	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	20.69%	9.00%	11.69%	4.30%	8.14%	2.62%
IIFL Samasta Finance Ltd	24.73%	10.15%	14.48%	8.77%	8.84%	2.03%
Asirvad Microfinance Ltd	**22.75%**	**10.34%**	**9.91%**	**4.61%**	8.99%	**1.82%**
Fusion Micro Finance Ltd	22.54%	11.42%	9.76%	5.09%	4.93%	2.36%
Muthoot Microfin Ltd	22.30%	10.82%	8.34%	7.46%	7.65%	7.14%
Annapurna Finance Pvt Ltd	22.81%	11.33%	8.10%	6.06%	3.71%	1.28%
Spandana Sphoorty Financial Ltd	24.87%	11.88%	14.60%	4.19%	15.87%	5.03%
Satin Creditcare Network Ltd	21.07%	10.84%	7.24%	6.09%	5.79%	2.73%
Svatantra Microfin Pvt Ltd	18.24%	9.80%	6.81%	7.10%	-0.25%	2.65%
Belstar Microfinance Ltd	24.40%	10.48%	12.39%	7.12%	6.85%	1.01%

Source: Company reports, CRISIL MI&A Research
*Note:*Year end average cost of borrowings*

Fiscal 2019	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	20.46%	9.57%	11.14%	4.24%	9.19%	1.20%
IIFL Samasta Finance Ltd	23.97%	10.95%	13.44%	9.98%	6.64%	1.20%
Asirvad Microfinance Ltd	**21.43%**	**10.27%**	**8.03%**	**4.28%**	**7.44%**	**0.82%**
Fusion Micro Finance Ltd	23.78%	11.22%	7.77%	5.55%	3.23%	0.75%
Muthoot Microfin Ltd	22.32%	10.25%	9.34%	7.16%	9.82%	0.93%
Annapurna Finance Pvt Ltd	21.21%	10.21%	8.23%	6.65%	4.05%	0.58%
Spandana Sphoorty Financial Ltd	26.63%	13.51%	14.66%	3.49%	11.88%	1.04%
Satin Creditcare Network Ltd	23.91%	12.31%	8.07%	5.62%	5.52%	0.80%
Svatantra Microfin Pvt Ltd	18.04%	10.82%	10.32%	7.56%	3.02%	0.51%
Belstar Microfinance Ltd	24.50%	10.65%	11.56%	5.68%	7.17%	1.08%

Source: Company reports, CRISIL MI&A Research
*Note:*Year end average cost of borrowings*

Among the top 10 NBFC-MFIs, Asirvad Microfinance has the third lowest credit costs amongst peers in pre covid periods along with GNPA standing at 0.48% in Fiscal 2019 and 1.60% in Fiscal 2020.

Average of pre-covid years (Fiscal 2019 and Fiscal 2020)	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	20.57%	9.29%	11.41%	4.27%	8.66%	1.91%
IIFL Samasta Finance Ltd	24.35%	10.55%	13.96%	9.38%	7.74%	1.62%
Asirvad Microfinance Ltd	**22.09%**	**10.31%**	**8.97%**	**4.45%**	**8.22%**	**1.32%**
Fusion Micro Finance Ltd	23.16%	11.32%	8.76%	5.32%	4.08%	1.55%
Muthoot Microfin Ltd	22.31%	10.53%	8.84%	7.31%	8.74%	4.03%
Annapurna Finance Pvt Ltd	22.01%	10.77%	8.17%	6.35%	3.88%	0.93%
Spandana Sphoorty Financial Ltd	25.75%	12.70%	14.63%	3.84%	13.87%	3.04%
Satin Creditcare Network Ltd	22.49%	11.57%	7.65%	5.86%	5.66%	1.77%
Svatantra Microfin Pvt Ltd	18.14%	10.31%	8.56%	7.33%	1.38%	1.58%
Belstar Microfinance Ltd	24.45%	10.56%	11.98%	6.40%	7.01%	1.04%

Source: Company reports, CRISIL MI&A Research
*Note:*Year end average cost of borrowings*

The significant jump in cost to income ratio between Fiscal 2020- Fiscal 2022 is due to branch expansion from 1,042 branches in Fiscal 2020 to 1,525 branches in Fiscal 2022 to further 1,684 branches in Fiscal 2023.

	Cost to income ratio								
	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	change in bps(Fiscal 2019-Fiscal 2020)	change in bps(Fiscal 2020-Fiscal 2021)	change in bps(Fiscal 2021-Fiscal 2022)	change in bps(Fiscal 2022-Fiscal 2023)
Top 10 NBFC-MFIs									
CreditAccess Grameen Ltd	35.26%	34.54%	41.65%	45.60%	35.57%	-72	711	395	-1,004
IIFL Samasta Finance Ltd	60.04%	49.81%	62.59%	52.59%	86.04%	-1,023	1,278	-1,000	3,345
Asirvad Microfinance Ltd	**41.31%**	**33.88%**	**46.66%**	**49.65%**	**48.26%**	**-743**	**1,278**	**298**	**-139**

	Cost to income ratio								
	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	change in bps(Fiscal 2019-Fiscal 2020)	change in bps(Fiscal 2020-Fiscal 2021)	change in bps(Fiscal 2021-Fiscal 2022)	change in bps(Fiscal 2022-Fiscal 2023)
Fusion Micro Finance Ltd	63.21%	50.84%	44.26%	44.26%	38.44%	-1,237	-658	0	-582
Muthoot Microfin Ltd	42.16%	49.36%	64.61%	65.02%	51.39%	721	1,525	41	-1,363
Annapurna Finance Pvt Ltd	62.15%	62.00%	58.50%	63.07%	55.10%	-14	-350	457	-797
Spandana Sphoorty Financial Ltd	24.94%	20.89%	21.96%	39.55%	45.44%	-406	107	1,759	589
Satin Creditcare Network Ltd	51.27%	51.27%	59.47%	64.92%	37.30%	0	820	544	-2,762
Svatantra Microfin Pvt Ltd	71.46%	103.69%	59.08%	47.63%	37.41%	3,223	-4,461	-1,145	-1,022
Belstar Microfinance Ltd	44.22%	50.97%	56.77%	52.91%	59.07%	675	580	-387	616
Banks and SFBs									
Bandhan Bank	32.58%	30.83%	29.39%	30.54%	39.54%	-175	-144	115	899
Equitas SFB	78.18%	66.37%	59.99%	66.12%	63.41%	-1,181	-638	613	-271
Ujjivan SFB	76.45%	67.45%	60.58%	71.68%	54.82%	-901	-687	1,110	-1,686
Jana SFB	203.95%	80.58%	69.90%	66.46%	56.22%	-12,337	-1,068	-344	-1,024
Utkarsh SFB	58.63%	57.58%	56.54%	59.11%	54.15%	-105	-104	258	-496
ESAF SFB	66.43%	64.93%	60.24%	63.69%	57.93%	-150	-469	345	-577
Fincare SFB	66.36%	55.76%	55.93%	60.01%	66.36%	-1,060	17	408	635
Suryoday SFB	47.70%	47.08%	67.50%	60.93%	60.01%	-62	2,042	-657	-92

Source: Company reports, CRISIL MI&A Research

Asirvad Microfinance posted strong PAT growth in Fiscal 2023, stood second in terms of year-on-year growth. Additionally, Asirvad has surpassed its pre-covid PAT in Fiscal 2023. PPOP, which saw a significant year-on-year growth in Fiscal 2022 and Fiscal 2023 after a degrowth in Fiscal 2021, stood fourth in terms of value.

PPOP	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	year-on-year growth Fiscal 2020	year-on-year growth Fiscal 2021	year-on-year growth Fiscal 2022	year-on-year growth Fiscal 2023	CAGR (Fiscal 2019-Fiscal 2023)
Top 10 NBFC-MFIs										
CreditAccess Grameen Ltd	572.74	733.44	753.33	817.65	1506.41	28.06%	2.71%	8.54%	84.24%	27.35%
IIFL Samasta Finance Ltd	88.44	203.03	167.45	296.25	162.88	129.58%	-17.52%	76.91%	-45.02%	16.50%
Asirvad Microfinance Ltd	**259.12**	**457.24**	**330.49**	**417.07**	**584.40**	**76.46%**	**-27.72%**	**26.20%**	**40.12%**	**22.55%**
Fusion Micro Finance Ltd	89.40	193.37	277.57	393.18	712.35	116.29%	43.55%	41.65%	81.18%	68.01%
Muthoot Microfin Ltd	298.80	291.71	140.47	175.87	436.19	-2.37%	-51.85%	25.20%	148.01%	9.92%
Annapurna Finance Pvt Ltd	110.19	152.98	193.42	217.58	406.02	38.83%	26.43%	12.49%	86.61%	38.55%
Spandana Sphoorty Financial Ltd	514.37	860.20	817.57	530.51	518.01	67.23%	-4.96%	-35.11%	-2.36%	0.18%
Satin Creditcare Network Ltd	357.68	401.09	265.63	229.97	743.30	12.14%	-33.77%	-13.42%	223.21%	20.06%
Svatantra Microfin Pvt Ltd	28.65	-4.94	115.61	271.50	529.81	-117.25%	-2439.58%	134.84%	95.14%	107.38%

PPOP	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	year-on-year growth Fiscal 2020	year-on-year growth Fiscal 2021	year-on-year growth Fiscal 2022	year-on-year growth Fiscal 2023	CAGR (Fiscal 2019-Fiscal 2023)
Belstar Microfinance Ltd	122.10	156.20	137.77	205.90	214.08	27.92%	-11.80%	49.45%	3.98%	15.07%

Source: Company reports, CRISIL MI&A Research

PAT	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	year-on-year growth Fiscal 2020	year-on-year growth Fiscal 2021	year-on-year growth Fiscal 2022	year-on-year growth Fiscal 2023	CAGR (Fiscal 2019-Fiscal 2023)
Top 10 NBFC-MFIs										
CreditAccess Grameen Ltd	321.76	327.50	142.39	382.14	826.03	1.78%	-56.52%	168.38%	116.16%	26.58%
IIFL Samasta Finance Ltd	53.20	107.30	66.62	50.60	128.18	101.69%	-37.91%	-24.04%	153.30%	24.59%
Asirvad Microfinance Ltd	**151.64**	**235.33**	**16.88**	**15.26**	**218.13**	**55.19%**	**-92.83%**	**-9.62%**	**1329.73 %**	**9.52%**
Fusion Micro Finance Ltd	50.60	69.60	43.94	21.70	387.15	37.55%	-36.86%	-50.62%	1684.08 %	66.31%
Muthoot Microfin Ltd	201.23	18.21	7.05	47.40	163.89	-90.95%	-61.25%	571.93%	245.77%	-5.00%
Annapurna Finance Pvt Ltd	62.50	82.89	1.82	17.19	32.72	32.62%	-97.80%	844.51%	90.34%	-14.94%
Spandana Sphoorty Financial Ltd	308.70	336.60	128.90	46.60	12.34	9.04%	-61.71%	-63.85%	-73.53%	-55.29%
Satin Creditcare Network Ltd	194.94	156.27	-13.55	40.22	264.33	-19.84%	-108.67%	-396.72%	557.21%	7.91%
Svatantra Microfin Pvt Ltd	16.66	29.19	26.99	46.85	129.77	75.23%	-7.55%	73.57%	176.99%	67.06%
Belstar Microfinance Ltd	72.80	98.90	46.65	45.13	130.00	35.85%	-52.83%	-3.26%	188.06%	15.60%

Source: Company reports, CRISIL MI&A Research

Asirvad Microfinance reported the third highest Return on Equity (ROE) and fourth highest Return on Assets among the top 10 NBFC-MFIs in Fiscal 2023. It also ranked third highest in terms of earnings per share. EPS which had seen a dip during Covid-19, is back to its pre-covid level in Fiscal 2023.

Players	ROE						
	Fiscal 2019	Fiscal 2020*	Fiscal 2020	Fiscal 2021*	Fiscal 2021	Fiscal 2022	Fiscal 2023
Top 10 NBFC-MFIs							
CreditAccess Grameen Ltd	13.61%	15.27%	13.01%	6.29%	4.52%	10.09%	18.26%
IIFL Samasta Finance Ltd	28.06%	NA	27.67%	NA	11.50%	6.14%	11.04%
Asirvad Microfinance Ltd	**18.85%**	**NA**	**25.52%**	**4.59%**	**1.61%**	**1.26%**	**16.68%**
Fusion Micro Finance Ltd	11.45%	11.83%	7.63%	NA	3.60%	1.68%	21.16%
Muthoot Microfin Ltd	31.25%	NA	2.03%	NA	0.79%	4.26%	11.06%
Annapurna Finance Pvt Ltd	14.52%	15.88%	11.98%	NA	0.24%	2.21%	3.27%
Spandana Sphoorty Financial Ltd	16.37%	19.47%	14.98%	21.63%	4.84%	1.62%	0.41%
Satin Creditcare Network Ltd	16.93%	16.77%	12.00%	1.32%	-0.92%	2.60%	15.02%
Svatantra Microfin Pvt Ltd	11.35%	NA	11.41%	NA	5.94%	6.50%	12.86%
Belstar Microfinance Ltd	27.69%	NA	22.03%	23.51%	8.98%	6.46%	13.35%
Banks and SFBs							
Bandhan Bank	18.96%	26.83%	22.91%	18.29%	13.53%	0.72%	11.87%
Equitas SFB	9.80%	12.74%	9.75%	16.69%	12.51%	7.35%	12.20%
Ujjivan SFB	11.49%	16.15%	14.04%	4.30%	0.26%	-13.97%	31.80%
Jana SFB	-177.01%	NA	3.51%	NA	7.77%	0.46%	17.08%
Utkarsh SFB	15.85%	NA	20.84%	NA	9.37%	4.18%	22.64%
ESAF SFB	14.60%	19.59%	19.25%	11.14%	8.65%	3.97%	19.41%
Fincare SFB	20.32%	26.16%	18.28%	22.03%	11.78%	0.80%	8.31%
Suryoday SFB	12.19%	16.48%	11.40%	6.03%	0.89%	-6.00%	5.03%

Source: Company reports, CRISIL MI&A Research

*Note: *Adjusted ROE for Covid provisions*

Players	ROA						
	Fiscal 2019	Fiscal 2020*	Fiscal 2020	Fiscal 2021*	Fiscal 2021	Fiscal 2022	Fiscal 2023
Top 10 NBFC-MFIs							
CreditAccess Grameen Ltd	4.37%	3.99%	3.64%	1.51%	1.22%	2.78%	4.51%
IIFL Samasta Finance Ltd	3.99%	NA	4.67%	NA	1.88%	0.94%	1.68%
Asirvad Microfinance Ltd	**3.56%**	**5.43%**	**4.63%**	**0.82%**	**0.29%**	**0.21%**	**2.57%**
Fusion Micro Finance Ltd	1.81%	2.75%	1.77%	NA	0.87%	0.33%	4.65%
Muthoot Microfin Ltd	6.61%	NA	0.48%	NA	0.17%	0.97%	2.32%
Annapurna Finance Pvt Ltd	2.28%	2.67%	2.01%	NA	0.03%	0.27%	0.42%
Spandana Sphoorty Financial Ltd	6.30%	8.07%	6.21%	8.09%	1.80%	0.61%	0.15%
Satin Creditcare Network Ltd	2.91%	3.15%	2.26%	0.26%	-0.18%	0.53%	3.52%
Svatantra Microfin Pvt Ltd	1.77%	NA	1.49%	NA	0.85%	0.98%	1.95%
Belstar Microfinance Ltd	4.27%	4.84%	4.33%	3.67%	1.56%	1.12%	2.41%
Banks and SFBs							
Bandhan Bank	3.87%	4.78%	4.08%	2.88%	2.13%	0.10%	1.49%
Equitas SFB	1.45%	1.82%	1.39%	2.33%	1.75%	1.09%	1.85%
Ujjivan SFB	1.72%	2.50%	2.18%	0.71%	0.04%	-1.89%	3.86%
Jana SFB	-20.31%	NA	0.26%	NA	0.51%	0.03%	1.12%
Utkarsh SFB	1.74%	NA	2.39%	NA	1.04%	0.45%	2.37%
ESAF SFB	1.53%	2.34%	2.30%	1.24%	0.97%	0.36%	1.59%
Fincare SFB	3.16%	3.64%	2.54%	2.81%	1.50%	0.09%	0.89%
Suryoday SFB	2.92%	3.52%	2.43%	1.33%	0.20%	-1.25%	0.86%

Source: Company reports, CRISIL MI&A Research
*Note: *Adjusted ROA for Covid provisions*

Asirvad Microfinance had capital adequacy ratio of 19.66% as of Fiscal 2023, well above the statutory requirement of 15%

	Debt to equity ratio (x)					Capital adequacy ratio (%)				
	As of Fiscal 2019	As of Fiscal 2020	As of Fiscal 2021	As of Fiscal 2022	As of Fiscal 23	As of Fiscal 2019	As of Fiscal 2020	As of Fiscal 2021	As of Fiscal 2022	As of Fiscal 2023
Top 10 NBFC-MFIs										
CreditAccess Grameen Ltd	1.99	2.93	2.42	2.66	3.19	35.26%	23.60%	31.75%	26.54%	23.60%
IIFL Samasta Finance Ltd	5.85	3.81	5.49	5.26	5.50	20.51%	25.80%	18.60%	17.83%	17.14%
Asirvad Microfinance Ltd	**4.25**	**4.33**	**4.38**	**5.19**	**5.46**	**31.82%**	**25.37%**	**23.33%**	**20.81%**	**19.66%**
Fusion Micro Finance Ltd	4.68	2.48	3.56	4.32	2.92	26.92%	35.82%	27.26%	21.94%	27.94%
Muthoot Microfin Ltd	2.77	3.22	3.39	2.99	3.99	33.05%	29.09%	22.55%	28.75%	21.87%
Annapurna Finance Pvt Ltd	4.44	5.10	6.40	7.83	5.83	25.23%	26.74%	27.71%	29.78%	24.66%
Spandana Sphoorty Financial Ltd	1.56	1.16	1.91	1.20	1.95	42.46%	47.44%	39.20%	50.74%	36.87%
Satin Creditcare Network Ltd	4.55	3.72	4.04	3.40	2.85	31.19%	30.45%	25.28%	27.84%	26.60%
Svatantra Microfin Pvt Ltd	6.21	6.57	5.36	5.53	5.45	18.68%	20.55%	21.88%	25.65%	22.32%
Belstar Microfinance Ltd	3.96	3.81	5.16	4.16	4.42	25.88%	25.67%	22.24%	24.06%	21.97%

Source: Company reports, CRISIL MI&A Research

Asirvad Microfinance had the fifth lowest Gross Non-performing Asset (GNPA) and seventh lowest Net NPA ratio among the selected NBFC-MFIs in Fiscal 2023

	GNPA					NNPA				
	As of Fiscal 2019	As of Fiscal 2020	As of Fiscal 2021	As of Fiscal 2022	As of Fiscal 2023	As of Fiscal 2019	As of Fiscal 2020	As of Fiscal 2021	As of Fiscal 2022	As of Fiscal 2023
Top 10 NBFC-MFIs										
CreditAccess Grameen Ltd	0.61%	1.57%	4.38%	3.12%	1.21%	0.17%	0.37%	1.37%	0.94%	0.35%
IIFL Samasta Finance Ltd	NA	2.80%	1.80%	3.07%	2.12%	NA	0.00%	0.00%	0.00%	0.00%
Asirvad Microfinance Ltd	**0.48%**	**1.60%**	**1.77%**	**1.67%**	**2.81%**	**0.00%**	**0.00%**	**0.00%**	**0.32%**	**1.15%**

	GNPA					NNPA				
	As of Fiscal 2019	As of Fiscal 2020	As of Fiscal 2021	As of Fiscal 2022	As of Fiscal 2023	As of Fiscal 2019	As of Fiscal 2020	As of Fiscal 2021	As of Fiscal 2022	As of Fiscal 2023
Fusion Micro Finance Ltd	1.55%	1.12%	5.50%	5.70%	3.46%	0.56%	0.39%	2.20%	1.60%	0.87%
Muthoot Microfin Ltd	NA	8.10%	7.86%	6.26%	2.97%	NA	4.05%	2.15%	1.55%	0.60%
Annapurna Finance Pvt Ltd	NA	1.36%	7.36%	9.80%	3.84%	NA	0.84%	2.79%	2.63%	1.35%
Spandana Sphoorty Financial Ltd	NA	0.36%	5.76%	17.70%	2.07%	NA	0.07%	3.26%	11.80%	0.63%
Satin Creditcare Network Ltd	NA	1.57%	8.40%	8.01%	3.28%	NA	0.37%	4.75%	2.47%	NA
Svatantra Microfin Pvt Ltd	NA	1.29%	2.13%	3.38%	NA	NA	0.68%	1.13%	1.51%	NA
Belstar Microfinance Ltd	NA	1.03%	2.72%	6.75%	2.42%	NA	0.42%	0.59%	1.48%	0.66%
Banks and SFBs										
Bandhan Bank	2.04%	1.48%	6.81%	6.46%	6.46%	0.58%	0.58%	3.51%	1.66%	1.66%
Equitas SFB	2.53%	2.72%	3.59%	4.06%	2.60%	1.44%	1.66%	1.52%	2.37%	1.14%
Ujjivan SFB	0.90%	0.90%	7.10%	7.10%	2.88%	0.30%	0.20%	2.90%	0.60%	0.04%
Jana SFB	NA	2.80%	6.71%	4.98%	NA	NA	1.30%	4.84%	3.43%	NA
Utkarsh SFB	1.39%	0.71%	3.75%	6.10%	3.23%	0.12%	0.18%	1.33%	2.31%	0.39%
ESAF SFB	1.61%	1.53%	6.70%	7.83%	2.49%	0.77%	0.64%	3.88%	3.92%	1.13%
Fincare SFB	1.29%	0.90%	6.42%	7.80%	3.25%	0.34%	0.40%	2.80%	3.60%	1.30%
Suryoday SFB	1.81%	2.80%	9.40%	11.80%	3.10%	0.44%	0.60%	4.70%	5.90%	1.50%

Note: NNPA ratio is net NPAs to net advances as reported by the company
Source: Company reports, CRISIL MI&A Research

Average Provisions and write-offs of last four Fiscals as a percent of Total assets	Fiscal 2023
Top 10 NBFC-MFIs	
CreditAccess Grameen Ltd	1.98%
IIFL Samasta Finance Ltd	0.66%
Asirvad Microfinance Ltd	2.61%
Fusion Micro Finance Ltd	2.36%
Muthoot Microfin Ltd	2.16%
Annapurna Finance Pvt Ltd	2.33%
Spandana Sphoorty Financial Ltd	5.11%
Satin Creditcare Network Ltd	3.41%
Svatantra Microfin Pvt Ltd	2.10%
Belstar Microfinance Ltd	1.60%
Banks and SFBs	
Bandhan Bank	2.89%
Equitas SFB	1.09%
Ujjivan SFB	1.87%
Jana SFB	1.88%
Utkarsh SFB	1.52%
ESAF SFB	1.54%
Fincare SFB	2.26%
Suryoday SFB	2.46%

Source: Company reports, CRISIL MI&A Research

Experience of leadership team (Fiscal 2023)

Asirvad Microfinance has a higher proportion of independent directors as compared to most of the top 10 NBFC MFIs.

	Date of incorporation	No of directors*	Proportion of independent directors
Top 10 NBFC-MFIs			
CreditAccess Grameen Ltd	1991	8	50%
IIFL Samasta Finance Ltd	1995	6	67%
Asirvad Microfinance Ltd	**2007**	**13**	**69%**
Fusion Micro Finance Ltd	1994	NA	NA
Muthoot Microfin Ltd	1992	NA	NA
Annapurna Finance Pvt Ltd	1986	NA	NA
Spandana Sphoorty Financial Ltd	2003	13	46%
Satin Creditcare Network Ltd	1990	7	71%
Svatantra Microfin Pvt Ltd	2012	6	33%

	Date of incorporation	No of directors*	Proportion of independent directors
Belstar Microfinance Ltd	1988	11	36%
Banks and SFBs			
Bandhan Bank	2014	13	62%
Equitas Small Finance Bank Ltd	1993	10	90%
Ujjivan Small Finance Bank Ltd	2016	9	67%
Utkarsh SFB	2016	8	63%
ESAF SFB	2016	NA	NA
Fincare Small Finance Bank Ltd	1995	11	60%
Suryoday SFB	2008	NA	NA

**As of March 2023*
NA: Fiscal 2023 Annual report Not Available
Source: Company reports, CRISIL MI&A Research

Of the top 10 NBFC-MFIs, Asirvad Microfinance has the second highest promoter holding.

Additionally, among the top 10 NBFC- MFIs, Asirvad Microfinance, IIFL Samasta and Muthoot Microfin are the only three having non private equity promoter holding, of which Asirvad Microfinance stands first with 97.60% shareholding held by Manappuram Finance Limited. Asirvad Microfinance operates on a promoter-driven and professionally managed model, wherein not only is the majority of the shareholding with promoters, but also the entire portion is held by Manappuram Finance Limited. Following the acquisition in 2015 by Manappuram Finance, its AUM grew significantly at a CAGR of 52.57% between Fiscal 2015 and Fiscal 2023.

	Fiscal 2023			
NBFC-MFIs	**Promoter shareholding**	**Promoter shareholding through promoter group/ financial sponsors**	**Listed /unlisted**	**Change in promoter**
CreditAccess Grameen Ltd	72.44%	Entire shareholding is held by CreditAccess India NV	Yes	Founder is not active in the business*
Fusion Micro Finance Ltd	67.96%	Of the total 67.96%, 4.87% is held by Devesh Sachdev, rest is with Honey Rose Investments Ltd (39.37%) Creation Investments Fusion (23.72%), and others	Yes	Yes. Incorporated as Ambience Fincap Pvt Ltd, and after takeover by Devesh Sachdev, company name was changed to Fusion Micro Finance Ltd in 2009
Asirvad Microfinance Ltd	97.60%	Entire shareholding is held by Manappuram Finance Ltd	In process	Yes. Manappuram Finance Ltd took over the company in 2015
Muthoot Microfin Ltd^	74.79%	Of the total 74.79%, 54.46% is held by Muthoot Fincorp Ltd and remaining by individual promoters	No	No change in promoters
Annapurna Finance Pvt Ltd^	9.93%	Information not available	No	No change in promoters
IIFL Samasta Finance Ltd	99.80%	Of the total 99.80%, 99.51% is held by IIFL Finance Ltd and remaining by Narayanaswamy Venkatesh and Shivaprakash Deviah	No	Yes. IIFL acquired stake in Samasta Microfinance in 2017
Satin Creditcare Network Ltd	39.45%	Of the total 39.45%, 37.05% is held by Trishashna Holdings & Investments Pvt Ltd and remaining by other promoters and promoter groups	Yes	No change in promoters
Svatantra Microfin Pvt Ltd	82.46%	Entire shareholding is with Ananyashree Birla	No	Yes. In 2019, 98.02% shareholding was transferred to Ananyashree Birla from investment companies of Aditya Birla Group
Spandana Sphoorty Financial Ltd	63.00%	Of the total 63%, 41.28% is held by Kangchenjunga Ltd, 14.50% by Padmaji Ganjireddy (promoter) and remaining by other promoters and promoter groups	Yes	Yes. The founder promoter resigned in 2021
Belstar Microfinance Ltd	13.05%	Of the total 13.05%, 12.26% is held by Sarvam Finance Inclusion Trust, and remaining by promoters and other promoter groups	No	Yes. The company was acquired by the Hand in Hand Group, a non-governmental organisation, in September 2008, and then, Muthoot Finance acquired approximately 60% share (as of March 2022) in 2016

Note:
^Information pertains to Fiscal 2022 since annual report of Fiscal 2023 is not available.
**Vinatha Reddy (founder) is no longer part of the Board. The company is professionally managed.*
Source: Company reports, CRISIL MI&A Research

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 17 for a discussion of the risks and uncertainties related to those statements and also the sections "Risk Factors", "Industry Overview", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 25, 124, 301 and 381, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, 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.

Unless otherwise indicated, the financial information herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 301. Unless stated otherwise, the figures for the three months ended June 30, 2022 and June 30, 2023 have been presented on an un-annualized basis and are not indicative of our Company's annual performance. Accordingly, these are not comparable with the figures for a complete Fiscal. Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Asirvad Micro Finance Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry" dated September, 2023 ("**CRISIL Report**") prepared and released by CRISIL and exclusively commissioned by and paid for by us pursuant to the appointment of CRISIL vide letter dated July 6, 2023, in connection with the Issue. The data included herein includes excerpts from the CRISIL Report, which is available on the website of the Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry_Report.pdf from the date of this Draft Red Herring Prospectus till the Bid/Issue Closing Date, and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 487. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL exclusively commissioned and paid for by us for such purpose." on page 45. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 15.*

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year.

Overview

We are a non-banking finance company ("**NBFC**") - microfinance institution ("**MFI**") offering microfinance loans to low-income women, thereby promoting inclusive growth, through servicing and empowering an unbanked population who are socially and economically underprivileged.

We are the largest MFI in India in terms of geographic coverage as of March 31, 2023, with a presence in 450 districts (*Source: CRISIL Report*) in 22 States and four Union Territories, through our network of 1,684 branches, of which our microfinance loan portfolio covers 391 districts. We are the third largest MFI in India in terms of assets under management ("**AUM**") as of March 31, 2023, (*Source: CRISIL Report*) with microfinance loans comprising 92.59% of our AUM as of such date. In addition, we recorded the third highest number of borrowers as of March 31, 2023 among the top ten NBFC-MFI players in India in terms of AUM ("**MFI Peer Group**"), (*Source: CRISIL Report)* which includes 3.25 million active borrowers in our microfinance loan portfolio. As of March 31, 2023, our AUM was ₹ 100,408.93 million; within a small distance of our nearest competitor, which is placed second in terms of AUM. (*Source: CRISIL Report*) As of June 30, 2023, we had 1,738 branches overall, with 1,206 branches and 3.39 million active borrowers (being borrowers with an active loan account) in our microfinance loans segment. Our microfinance loans have a tenure of 24 months at origination and as of June 30, 2023, the average ticket size of our microfinance loans was ₹ 35,308.82.

In addition, we offer secured Loans against Gold and as of June 30, 2023, we had 0.10 million active borrowers in our Loan against Gold portfolio. Our AUM as of June 30, 2023 stood at ₹ 101,405.76 million, of which microfinance loans comprised ₹ 93,104.47 million, or 91.81%, and Loans against Gold comprised ₹ 7,895.77 million, or 7.79%. We also offer MSME Loans to small business owners and self-employed individuals. As of June 30, 2023, we had 1,415 active borrowers in our MSME Loan portfolio.

Over the years, we have rapidly scaled our operations while maintaining our asset quality. Our AUM has grown from ₹ 59,846.18 million as of March 31, 2021 to ₹ 70,021.83 million as of March 31, 2022 and further to ₹ 100,408.93 million as of March 31, 2023, at a CAGR of 29.53% between Fiscal 2021 and Fiscal 2023.

We commenced operations in 2008, with two branches in Tamil Nadu and have grown to become an MFI with a pan-India presence. Through our position as the most geographically diversified MFI in terms of districts present as of March 31, 2023, and second in terms of presence in states, (*Source: CRISIL Report*) we have focused on mitigating a key risk in the microfinance business, of regional concentration. From our total AUM being wholly-concentrated in Tamil Nadu when we commenced operations in 2008, only 14.94% of our microfinance loan AUM of ₹ 101,405.76 million as of June 30, 2023 was derived from the state, indicating our concerted efforts towards geographical diversification while simultaneously growing our business and loan portfolio over the years.

In terms of overall AUM concentration as well:

- our top three states contribute to 37.33% of our AUM; and
- our top five states contribute to 54.29% of our AUM;

each as of March 31, 2023. This amounts to the lowest AUM contribution from top three states among the MFI Peer Group. (*Source: CRISIL Report*)

From a geographic risk management policy, we are guided by Board-approved risk metrics and tolerance limits as part of our operations, which aim to limit our AUM exposure in a state to 10% of our total AUM and in each district, to 1% of our total AUM. We also limit our exposure to 5% of the estimated MFI market size within a state, as estimated by our Company, based on publicly available data if our total AUM is more than ₹ 100 million in that state. As we emerged out of the COVID-19 pandemic, noting the heightened credit demand from certain regions, our Risk Committee has ratified the breach of these exposure norms in specific instances. Nevertheless, as of June 30, 2023, only three states had exposure in excess of 10% of our microfinance loan AUM, and only seven districts had exposure in excess of 1%. Our commitment to maintaining diversified microfinance operations is evidenced by the fact that no single state contributes more than 14.94% of our microfinance loan AUM as of June 30, 2023, and no single district contributes more than 1.42%.

Our credit quality is a product of our robust risk management policies and practices. As a middle layer NBFC under the RBI's scale-based regulations with an asset size of more than ₹ 10,000 million, we are governed by and closely follow RBI's risk management framework. Our risk management division is divided into separate teams that are dedicated to managing and mitigating credit risk, market risk and operational risk, and which are subject to oversight by our vigilance department and Audit Committee and our Board. Our Risk Committee periodically reviews current and emerging risks, including regulatory, information technology, liquidity and other risks as stipulated under our risk management framework and suggests requisite risk assessment procedures and measurement of systems, establishes policies, practices and other control mechanisms to manage risks and develop risk tolerance limits. Our gross non-performing assets ("**Gross NPAs**") were 1.77%¸ 1.67%, 2.81%, 7.74% and 2.89% as of March 31, 2021, March 31, 2022, March 31, 2023 and as of June 30, 2022 and June 30, 2023, respectively, while our Net NPAs were 0.00%, 0.30%, 1.15%, 1.91% and 1.29%, as of such dates, respectively

We are one of the youngest NBFC-MFIs with a relatively strong credit rating of CRISIL 'AA-', (*Source: CRISIL Report*) which emphasizes our financial resilience, and enables us to borrow at competitive costs. Among the MFI Peer Group in India, we were the first MFI to be rated AA- by CRISIL, (*Source: CRISIL Report*) highlighting our legacy of financial performance. We were also the fastest MFI to receive the AA- rating, within a period of three years. (*Source: CRISIL Report*) We benefit from a large and diversified mix of lenders and as of June 30, 2023, we have 58 lending relationships, including borrowings availed from 33 banks, including eight public sector banks, nine foreign banks and 16 private banks, as well as 11 NBFCs and other financial institutions. Consequently, our average cost of borrowing in Fiscal 2021, 2022, 2023 and the three months ended June 30, 2022 and June 30, 2023 was 9.97%, 11.20%, 9.01%, 2.59% and 2.65%, respectively, while our incremental cost of borrowing in the same periods were 9.90%, 9.35%, 9.35%, 7.66% and 9.75%, respectively. We had the second lowest cost of borrowing among the MFI Peer Group in Fiscal 2023. (*Source: CRISIL Report*)

We are a digitally enabled MFI with automated loan processing capability from borrower onboarding to disbursement that includes borrower credentials validation through real time integrated application programming interfaces ("**APIs**"). We have enabled real-time integration with credit bureaus to perform analysis of borrower tradeline reports for quicker decision making in loan processing. Our digitized loan process with cashless disbursements aims to minimize fraud and theft, and ensure reduced turnaround time. In the three preceding Fiscals and the three months ended June 30, 2023, 100.00% our borrowers were onboarded digitally, and all disbursements to such borrowers were cashless. We generate real-time reports to analyse and monitor disbursements, collections and overall productivity of field officers, as well as a workforce management system to track the movement of field development assistants ("**FDAs**"). We have implemented a key analytics platform that provides real-time MIS reports, enabling us to make better informed decisions and adopt efficient processes.

Our growth has been encouraged by our Promoter, MAFIL, a listed NBFC primarily engaged in offering loans against gold in India. As a subsidiary of MAFIL, we are able to leverage the "Manappuram" brand and their established credentials. While our operations are independent from those of our Promoter, we benefit from management guidance, as four members of our Board of Directors are also on the board of directors of MAFIL. Our Managing Director and several members of our senior management have previously held positions at MAFIL. Our Promoter's support is valuable towards our continued improvement governance practices, operations, IT support, legal and compliance functions and in maintaining high credit rating. Following the acquisition of our Company by our Promoter, our AUM grew at a CAGR of 52.57% between Fiscal 2015 and Fiscal 2023. (*Source: CRISIL Report*)

In course of the three preceding Fiscals, including through the COVID pandemic period, we have added 620 branches and 27,779 employees, thereby creating capacity for scaling up our business. While the cost of these new branches and additional employees are reflected in our results of operations for Fiscal 2023 and the three months ended June 30, 2023, we believe that these will provide operational leverage and heightened productivity as these branches mature. For further information, see – *Competitive*

Strengths - Third largest MFI in terms of AUM, with scalable operations, well positioned to capture industry tailwinds and controlled ticket sizes compared to peers" on page 192.

We have ESG-focused operations and are led by qualified and experienced management personnel. Our Board is also duly supported by robust committees, including the Asset Liability Management Committee, Audit Committee, Risk Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. In the interest of maintaining robust corporate governance, our management is guided by our Board of Directors comprising 13 directors, which also includes eight independent directors who have diversified experience in the fields of finance, microfinance, credit rating, legal, human resources, public administration, among others. Our Key Managerial Personnel and Senior Management Personnel include management executives who bring in significant hands on operations and business experience, which positions us well to capitalize on future growth opportunities.

We have demonstrated sound financial performance. In Fiscal 2023, we stood second in terms of year-on-year growth and posted a strong profit after tax growth among the MFI Peer Group, (*Source: CRISIL Report*) with profit after tax of ₹ 139.20 million and ₹ 2,234.28 million in Fiscal 2022 and Fiscal 2023, respectively. In Fiscal 2023, we had the third highest return on equity and the fourth highest return on assets among the MFI Peer Group, (*Source: CRISIL Report*) at 17.09% and 2.63%, respectively.

The following table sets out certain significant financial and operational parameters in the relevant periods:

Particulars	**As of / For the Year Ended March 31,**			**As of / For the Three Months Ended June 30,**	
	2021	**2022**	**2023**	**2022***	**2023***
AUM (₹ million)(1)	59,846.18	70,021.83	100,408.93	70,125.32	101,405.76
- AUM – Microfinance loans (₹ million)	59,408.76	66,529.78	92,972.07	65,460.84	93,104.47
- AUM – Loans against Gold (₹ million)	25.34	3,005.69	7,053.20	4,208.14	7,895.77
- AUM – MSME Loans (₹ million)	412.08	486.36	383.66	456.33	405.52
On-books Portfolio (₹ million)(2)	51,266.02	57,556.93	89,776.25	58,503.81	85,309.11
Securitized assets (₹ million)(3)	8,580.16	12,464.90	10,632.68	11,621.51	16,096.65
Net Worth (₹ million)(4)	10,557.63	10,708.49	15,440.08	10,611.51	18,049.23
Net Interest Income (₹ million)(5)	5,000.88	6,202.39	9,153.91	1,876.14	3,564.90
Pre Provision Operating Profit (₹ million)(6)	3,295.98	4,262.86	5,846.10	1,078.17	2,567.41
Provisions against impairment of financial instruments (₹ million)	3,414.49	3,537.44	2,515.49	4,724.19	2,166.50
Profit Before Tax (₹ million)	297.90	194.64	3,109.26	(108.59)	1,606.82
Profit/ (Loss) After Tax for the period/ year (₹ million)	161.01	139.30	2,234.28	(86.92)	1,127.25
Total borrowings (₹ million)(7)	46,741.68	55,587.61	84,260.95	51,993.70	79,410.95
Total assets (₹ million)(8)	58,499.54	68,236.74	101,915.88	64,797.09	100,822.68
Yield on Average On-books Loan Portfolio (%)(9)	19.46%	21.57%	20.42%	5.50%	6.44%
Average cost of borrowing (%)(10)	9.97%	11.20%	9.01%	2.59%	2.65%
Average Ticket Size – Microfinance loans (₹)(11)	28,987.36	30,549.24	37,197.33	40,249.26	35,308.82
Average Ticket Size – Loans against Gold (₹)(12)	63,478.26	66,210.76	66,508.12	64,464.74	72,334.99
Gross disbursements – Microfinance loans (₹ million)(13)	35,697.50	51,869.04	83,973.30	10,983.66	18,143.19
Debt to Equity Ratio(14)	3.37	4.45	5.10	4.56	4.00
Cost to Income Ratio(%)(15)	46.81%	49.20%	48.24%	51.42%	40.91%
Return on Total Assets (%)(16)	0.27%	0.22%	2.63%	(0.13)%	1.11%
Return on Equity (%)(17)	1.54%	1.31%	17.09%	(0.82)%	6.73%
Number of Branches(18)	**1,062**	**1,525**	**1,684**	**1,540**	**1,738**
- Exclusive Branches – Microfinance loans(19)	1,025	1,203	1,206	1,203	1,206
- Exclusive Branches – Loan against Gold(20)	21	305	178	320	221
- Exclusive Branches – MSME Loans(21)	16	17	17	17	17
- Hybrid Branches(22)	-	-	283	-	294
Number of active borrowers(23)	**2,409,908**	**2,573,902**	**3,340,185**	**2,598,569**	**3,494,877**
- Number of active borrowers – Microfinance loans(24)	2,408,503	2,537,031	3,245,210	2,547,603	3,388,555
- Number of active borrowers – Loans against Gold(25)	389	35,592	93,763	49,708	104,907
Number of FDAs – microfinance loans	4,745	7,536	8,736	7,594	8,875
Number of on-roll employees(26)	7,570	12,609	15,874	12,551	16,034
Gross NPA Ratio (%)(27)	1.77%	1.67%	2.81%	7.74%	2.89%
Net NPA ratio (%)(28)	0.00%	0.30%	1.15%	1.91%	1.29%
Provision Coverage Ratio (%)(29)	99.80%	82.19%	59.86%	76.76%	56.03%

Particulars	As of / For the Year Ended March 31,			As of / For the Three Months Ended June 30,	
	2021	2022	2023	2022*	2023*
Capital Adequacy Ratio (%)	22.93%	20.24%	20.03%	19.26%	23.12%
Tier I Capital (%)	19.24%	15.84%	15.58%	15.40%	17.84%
Tier II Capital (%)	3.68%	4.40%	4.45%	3.86%	5.27%

** Unannualized figures.*

Notes:

(1) AUM represents aggregate of On-books Loan Portfolio and assets pertaining to direct assignment and securitisation as of the last day of the relevant period.
(2) On-books Portfolio represents aggregate of future principal outstanding, principal overdue held in our books as on the last day of the relevant period.
(3) Securitized assets represents aggregate of future principal outstanding and principal overdue outstanding, for loan assets which have been transferred by our Company by way of securitization (including the minimum retention requirement portion retained in the books) and outstanding as of the last day of the relevant period.
(4) Net Worth represents the sum of equity share capital and other equity as of the last day of the relevant period.
(5) Net Interest Income represents interest income less finance costs, for the relevant period.
(6) Pre Provision Operating Profit represents the sum of profit for the relevant period and impairment on financial instruments for such period.
(7) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and collateralised borrowing principal outstanding as of the last day of the relevant period.
(8) Total Assets represents total assets as of the last day of the relevant period.
(9) Yield on Average On-books Loan Portfolio represents the ratio of interest income on loan assets for a period to the average On-books Loan Portfolio for the period, expressed as a percentage.
(10) Average Cost of Borrowings represents finance cost (including collateralized borrowings) for the relevant period as a percentage of Average Borrowings in such period. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant period and our Total Borrowings outstanding as of the last day of the previous period.
(11) Average ticket size – microfinance loans represents microfinance loan amounts disbursed during the relevant period, divided by the number of loans.
(12) Average ticket size – Loans against Gold represents Loan against Gold amounts disbursed during the relevant period, divided by the number of loans.
(13) Gross disbursements – Microfinance Loans represents the aggregate of all Microfinance loan amounts extended to our borrowers in the relevant period.
(14) Debt to equity ratio represents our total borrowings less cash and cash equivalents divided by total equity attributable to shareholders as of the last day of the relevant period. Total borrowings represents the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant period.
(15) Cost to Income Ratio represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total income less finance costs for the relevant period.
(16) Return on Total Assets is calculated as the profit after tax for the relevant period as a percentage of Average Total Assets in such period.
(17) Return on Equity is calculated as the profit after tax for the relevant period as a percentage of Average Net Worth in such period.
(18) Number of branches represents the aggregate number of branches of our Company as of the last day of relevant period. As of June 30, 2023, this includes 294 branches that are used in a hybrid model for both microfinance loans and Loans against Gold; four branches that are used for MSME Loans as well as microfinance loans; and two branches that are used for MSME Loans as well as Loans against Gold.
(19) Exclusive Branches – Microfinance loans represents the aggregate number of branches of our Company that are uniquely used for microfinance loans. This does not include any branch that is used in a hybrid model with the Loan against Gold portfolio of our Company.
(20) Exclusive Branches – Loan against Gold represents the aggregate number of branches of our Company that are uniquely used for Loans against Gold. This does not include any branch that is used in a hybrid model with the microfinance loan portfolio of our Company.
(21) Exclusive Branches – MSME Loans represents the aggregate number of branches of our Company that are uniquely used for our MSME Loans. This does not include any branch that is used in a hybrid model with any other portfolio of our Company. However, these include branches shared with our Promoter. As of June 30, 2023, six branches were shared with our Promoter.
(22) Hybrid Branches represent those branches of our Company that are used in a hybrid model for both microfinance loans and Loans against Gold.
(23) Number of active borrowers refers to our borrowers who had an active loan account as of the last day of the relevant period. The total provided here also includes MSME Loan borrowers in the applicable periods.
(24) Number of active borrowers – microfinance loans refers to our microfinance loan borrowers who had an active Microfinance loan account as of the last day of the relevant period.
(25) Number of active borrowers - Loan against Gold refers to our Loan against Gold borrowers who had an active Loan against Gold account as of the last day of the relevant period.
(26) Number of on-roll employees represents aggregate number of employees of our Company as of the last day of relevant period.
(27) Gross NPA Ratio (%) represents the Gross NPA to the On-books Loan Portfolio as of the last day of the relevant period. Gross NPA represents On-books Loan Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.
(28) Net NPA Ratio (%) represents Net NPA to On-book Portfolio reduced by ECL on NPAs as of the last day of the relevant period. Net NPA represents Gross NPA reduced by NPA provision made against these loans as of the last day of relevant reporting period.
(29) Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.

Competitive Strengths

Largest and most diversified MFI in terms of geographical spread, with lowest concentration among top three states

We are the largest MFI in India in terms of geographic coverage as of March 31, 2023, with a presence in 450 districts (*Source: CRISIL Report*) in 22 States and four Union Territories, through our network of 1,684 branches, of which our microfinance loan portfolio comprises 1,489 branches across 391 districts. As of June 30, 2023, our microfinance loan portfolio had a presence in 395 districts across India. We have expanded our operations to establish a national presence, and believe our extensive geographic presence puts us in a vantage position to lend across the country while insulating us against risks arising from regional economic, political, cultural or environmental adversities.

We had the lowest AUM concentration in our top three states among the MFI Peer Group, as of March 31, 2023, (*Source: CRISIL Report*) which we believe allows us to be resilient to regional downturns. Set forth below is a break-down of our microfinance loan AUM, reflecting our presence in our key States and Union Territories, and our pointed efforts towards reducing concentration in the top states:

Particulars	Microfinance loan AUM as of June 30, 2023 (₹ million)	Percentage of Total microfinance loan AUM (%)	Microfinance Loan AUM CAGR (March 31, 2021 – March 31, 2023) (%)
Top three States	**35,849.35**	**38.50%**	**17.31%**
– Tamil Nadu	13,908.57	14.94%	4.37%
– Bihar	11,996.08	12.88%	35.42%
– West Bengal	9,944.70	10.68%	21.71%
Next five States	**32,055.77**	**34.43%**	**21.52%**
– Karnataka	8,543.27	9.18%	26.11%
– Uttar Pradesh	7,225.00	7.76%	36.92%
– Kerala	5,549.42	5.96%	22.60%
– Madhya Pradesh	5,379.50	5.78%	21.52%
– Jharkhand	5,358.58	5.76%	33.47%
Other States/ Union Territories	**25,199.35**	**27.07%**	**34.35%**
Total microfinance loan AUM	**93,104.47**	**100.00%**	**25.10%**
Total microfinance loan AUM of top five States	**51,617.62**	**55.44%**	**21.06%**
Total microfinance loan AUM of top ten States	**77,919.04**	**83.69%**	**23.58%**

Our microfinance loan AUM is well diversified, with limited concentration even within the relevant States and Union Territories, as demonstrated by the fact that -

- only our top five States among the 22 States and four Union Territories we operate in, as of June 30, 2023, had an AUM of more than 7.50% of our total AUM. These top five states contributed 55.44% of our total AUM, while
- our next five States in terms of AUM had an AUM of more than 5.00% but less than 7.50% of our total AUM, and contributed 28.25% of our total AUM, as of June 30, 2023; and
- our remaining States and Union Territories covered 12 States and four Union Territories had an AUM of less than 5.00% of our total AUM, and contributed to 16.31% of our total AUM, as of June 30, 2023.

Our AUM growth has also been strategically spread across regions to avoid skewing towards particular states. As demonstrated above, AUM growth has been even across our top three, top ten and other states towards achieving symmetry in our AUM spread.

In comparison, others in our MFI Peer Group derive an average of 44.80% - 74.30% of their AUM from only three States, positioning us as the MFI with the lowest AUM concentration in its top three states. (*Source: CRISIL Report)* For further information on our state and district-wise AUM exposure caps that seek to mitigate concentration risks, see "- *Continuous focus on risk management, on ground audit, vigilance checks and crisis-tested collection capabilities, leading to healthy asset quality*" on page 198.

Within the States in which we operate, we typically have a market share of 2% - 3% of microfinance loan AUM in most of such regions as of June 30, 2023, as set forth below:

State/ Union Territory	Our Microfinance Loan AUM (₹ million)	As a percentage of our total Microfinance Loan AUM (%)	Microfinance Industry Portfolio Outstanding (₹ million) (*Source: CRISIL Report*)	Market Share – Microfinance Industry Portfolio Outstanding (%)*	NBFC Microfinance Industry Portfolio Outstanding (₹ million) (*Source: CRISIL Report*)	Market Share - NBFC Microfinance Industry Portfolio Outstanding (%)**
Tamil Nadu	13,908.57	14.94%	486,976.52	2.86%	152,493.34	9.12%
Bihar	11,996.08	12.88%	515,289.39	2.33%	178,557.49	6.72%
West Bengal	9,944.70	10.68%	312,597.22	3.18%	72,758.98	13.67%
Karnataka	8,543.27	9.18%	324,621.22	2.63%	129,884.47	6.58%
Uttar Pradesh	7,225.00	7.76%	357,033.73	2.02%	154,774.64	4.67%
Kerala	5,549.42	5.96%	136,424.41	4.07%	34,741.23	15.97%
Jharkhand	5,358.58	5.76%	109,673.77	4.89%	46,680.50	11.48%
Madhya Pradesh	5,379.50	5.78%	211,755.86	2.54%	101,260.17	5.31%
Odisha	5,088.04	5.46%	211,558.27	2.41%	85,657.65	5.94%
Rajasthan	4,925.88	5.29%	160,753.90	3.06%	67,046.08	7.35%
Maharashtra	3,434.57	3.69%	268,713.76	1.28%	105,545.29	3.25%
Punjab	2,383.89	2.56%	60,085.70	3.97%	28,426.47	8.39%
Haryana	2,048.67	2.20%	58,130.46	3.52%	22,648.00	9.05%
Tripura	2,007.02	2.16%	18,447.54	10.88%	6,133.63	32.72%
Gujarat	1,738.23	1.87%	106,167.62	1.64%	42,691.11	4.07%
Chhattisgarh	1,454.73	1.56%	62,763.41	2.32%	30,170.82	4.82%
Assam	946.77	1.02%	58,645.03	1.61%	19,066.48	4.97%
Uttarakhand	658.00	0.71%	16,734.07	3.93%	6,819.42	9.65%
Goa	142.03	0.15%	1,400.81	10.14%	638.99	22.23%

State/ Union Territory	Our Microfinance Loan AUM (₹ million)	As a percentage of our total Microfinance Loan AUM (%)	Microfinance Industry Portfolio Outstanding (₹ million) (*Source: CRISIL Report*)	Market Share – Microfinance Industry Portfolio Outstanding (%)*	NBFC Microfinance Industry Portfolio Outstanding (₹ million) (*Source: CRISIL Report*)	Market Share - NBFC Microfinance Industry Portfolio Outstanding (%)**
Puducherry	77.17	0.08%	7,153.07	1.08%	2,344.09	3.29%
Chandigarh	51.38	0.06%	529.63	9.70%	92.12	55.78%
Sikkim	69.12	0.07%	963.80	7.17%	202.88	34.07%
Andhra Pradesh	44.06	0.05%	63,511.29	0.07%	20,926.96	0.21%
Telangana	58.94	0.06%	35,047.46	0.17%	8,378.20	0.70%
Andaman and Nicobar Islands	70.86	0.08%	138.19	51.28%	129.60	54.68%

Note:
** Market Share - Microfinance Industry Portfolio Outstanding (%) has been computed as our AUM, divided by the portfolio outstanding of the microfinance industry, each as of June 30, 2023, in the relevant State/ Union Territory, as per the CRISIL Report, as a percentage upon rounding off. Microfinance Industry Portfolio Outstanding includes data for banks lending through JLGs, SFBs, NBFC-MFIs and other MFIs, but excludes data for banks lending through self-help groups.*
*** Market Share - NBFC Microfinance Industry Portfolio Outstanding (%) has been computed as our AUM, divided by the portfolio outstanding of the NBFC microfinance industry, each as of June 30, 2023, in the relevant State/ Union Territory, as per the CRISIL Report, as a percentage upon rounding off. NBFC Microfinance Industry Portfolio Outstanding data includes overall portfolio outstanding of NBFC-MFIs.*

Our market share in regions in which we operate, compared to the overall microfinance loan AUM of these regions as set forth above, along with our microfinance presence in only 51.57% of total districts across India as of June 30, 2023, demonstrates sufficient headroom for growth.

Further, the proportion of microfinance loan AUM concentration in our 30 largest districts has decreased from 30.32% of our microfinance loan AUM, as of March 31, 2021, to 26.25% as of June 30, 2023. Among districts, our top 50 districts contribute to 38.15%, our top 100 districts contribute to 59.74%, our top 175 districts contribute to 79.69% and our top 200 districts contribute to 84.32% of our AUM as of June 30, 2023. This evidences our continued focus on distributing our geographical risk among districts, reducing concentration in any region of our operations as well as the significant head room available in growing our business based on our ability to scale up further by building on our experience of local markets and regional dynamics.

Third largest MFI in terms of AUM, with scalable operations, well positioned to capture industry tailwinds and controlled ticket sizes compared to peers

As of March 31, 2023, we are the third largest MFI in India in terms of AUM. (*Source: CRISIL Report*) As of March 31, 2023, our AUM was ₹ 100,408.93 million, with 92.59% of our AUM attributable to microfinance loans. For further information, see "*Selected Statistical Information – Product Wise AUM*" on page 277.

The MFI industry is expected to record a CAGR of 16% between Fiscal 2023 and Fiscal 2026. (*Source: CRISIL Report*) Within the sector, NBFC-MFIs have been growing aggressively, with their loan books logging a CAGR of 32% between Fiscal 2016 and Fiscal 2023, and as of Fiscal 2023, NBFC-MFIs had the highest market share at 37% of overall microfinance portfolio outstanding. (*Source: CRISIL Report*) The RBI introduced a revised regulatory framework effective October 1, 2022, which grants greater flexibility to NBFC-MFIs, which is expected to stimulate growth in the NBFC-MFI segment and enable the share of NBFC-MFIs to increase to 43% by Fiscal 2026. (*Source: CRISIL Report*)

As of June 30, 2023, we had 1,738 branches, including 1,206 exclusive microfinance loan branches and 221 exclusive Loan against Gold branches. Certain details regarding these exclusive branches and their productivity as of June 30, 2023 are set forth below:

Vintage#	Exclusive Microfinance Loan Branches			Exclusive Loan Against Gold Branches			Total	
	AUM (₹ million)	Number of Branches	AUM per Branch (₹ million)	AUM (₹ million)	Number of Branches	AUM per Branch (₹ million)	AUM (₹ million)	Number of Branches
Before Fiscal 2020	78,887.14	1,023	77.11	-	-	-	78,887.14	1,023
Fiscal 2020 – Fiscal 2021	257.46	4	64.37	159.48	5	31.90	416.94	9
Fiscal 2021 – Fiscal 2022	9,378.90	177	52.99	1,749.40	81	21.60	11,128.30	258
Fiscal 2022 – Fiscal 2023	32.15	2	16.08	603.04	81	7.44	635.19	83
Fiscal 2023 – Fiscal 2024	0.00	0	0.00	81.08	54	1.50	81.08	54
Total	**88,555.66**	**1,206**	**73.43**	**2,593.00**	**221**	**11.73**	**91,148.66**	**1,427**
Hybrid (MFI and Gold)	**4,548.81(2)**	**294**	**15.47**	**5,302.77(3)**	**294**	**18.04**	**9,851.58**	**294**
Grand Total(1)	**93,104.47**	**1,500**	**62.07**	**7,895.77**	**515**	**15.33**	**101,000.24**	**1,721**

Note:

(1) The total here does not include MSME Loan AUM and MSME Loan Branches. As of June 30, 2023, including MSME Loan AUM of ₹ 405.52 million and 17 MSME Loan branches, the overall AUM is ₹ 101,405.76 million and the number of branches is 1,738. Certain Gold Loan Branches are converted into hybrid branches (Loan against Gold and microfinance loan) based on business requirements.

(2) Represents the total microfinance loan AUM derived from all hybrid branches.

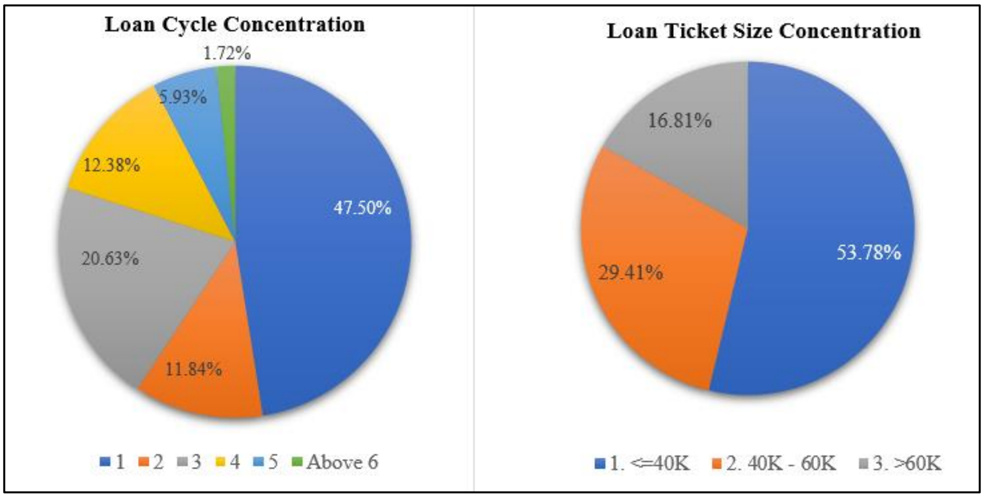
(3) Represents the total Loan against Gold AUM derived from all hybrid branches.

 # Represents date of commencement of operations at the branch.

As demonstrated above, branches with higher vintage witness higher productivity as they develop a foothold in the location of their operations. As of June 30, 2023, 407 non-hybrid branches, comprising 28.30% of our total number of branches were less than three years old, which we believe reflects scope for further growth. In addition, as of June 30, 2023, we had 294 branches which were used as hybrid branches for both our microfinance loan and Loan against Gold portfolio. The AUM per branch for these hybrid branches as of June 30, 2023 was ₹ 33.51 million, with microfinance loan AUM being ₹ 15.47 million per hybrid branch and Loan against Gold AUM being ₹ 18.04 million per hybrid branch. As these hybrid branches have been introduced in the preceding Fiscal, their productivity is expected to improve in line with increase in vintage, as reflected by our exclusive microfinance loan and exclusive Loan against Gold branches.

In addition, growth in our number of borrowers has been critical to our competitive position. The number of active borrowers in our microfinance loan portfolio increased from 2,408,503 as of March 31, 2021 to 3,245,210 as of March 31, 2023, at a CAGR of 16.08%, and was 3,388,555 as of June 30, 2023.

In our experience, as borrowers complete loan cycles and benefit from the loans availed, they are able to avail loans of higher ticket sizes to aid business ventures and finance entrepreneurial endeavours. Accordingly, we also offer higher ticket size loans for borrowers in subsequent loan cycles. Set forth below is a distribution of our borrowers based on their loan cycle and average ticket size with us, as of June 30, 2023:



As of March 31, 2023, we recorded the third highest number of borrowers among the MFI Peer Group, (*Source: CRISIL Report*) of which 3.25 million borrowers belonged to our microfinance loan portfolio. As of June 30, 2023, 47.50% of our microfinance loan borrowers are in their first cycle with us, demonstrating a healthy mix between our first-time borrowers and those with a vintage of more than one loan cycle. This provides significant growth potential for our substantial base of first cycle borrowers to enter into subsequent cycles.

We also manage risk by controlling the ticket size of loans for new borrowers as per our records as well as in determining ticket sizes for repeat borrowers. Our AUM per active borrower (including our microfinance loan, Loan against Gold and MSME Loans portfolio) as on March 31, 2021, 2022 and 2023 was ₹ 24,833.38, ₹ 27,204.54 and ₹ 30,060.89, respectively. Our gross AUM per borrower as of March 31, 2023 was the third smallest among the MFI Peer Group, (*Source: CRISIL Report*) demonstrating our focus on not being aggressive in our lending approach and carefully manging risks through control on ticket size. In comparison, the two NBFC-MFIs larger than us in terms of AUM, have AUM per borrower of ₹ 43,967 and ₹ 48,909 as of March 31, 2023. (*Source: CRISIL Report*)

In states where the presence of MFIs and banks are strong, there has been an increase in ticket size as well, (*Source: CRISIL Report*) which is aided by revision in RBI regulations in 2022 that has increased the eligible total household income cap for availing microfinance loans. (*Source: CRISIL Report*) Our entry level loan, or ticket size in the first cycle ranges between ₹ 20,000 and ₹ 40,000, as of June 30, 2023. Our microfinance loan offerings grows to a maximum of ₹ 80,000 in the second cycle and subsequently. In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, our average ticket size (on disbursement basis) for microfinance loans was ₹ 28,987.36, ₹ 30,549.24, ₹ 37,197.33, ₹ 40,249.26 and ₹ 35,308.82, respectively. These loan offerings have been arrived at with a view to managing risks by keeping our ticket sizes, and consequently, payment installments, small. This in turn is intended to create easier repayment obligations for our borrowers, allowing us to attract additional borrowers and continue our relationships with existing ones. Emerging out of the COVID-19 pandemic, we have grown our number of branches, employees and increased our ticket size marginally, leading to high demand and consequently, borrower acquisitions. In Fiscal 2021, 2022, 2023 and the three months ended June 30, 2023, we acquired 309,805, 482,557, 1,050,312 and 199,666 borrowers.

As of June 30, 2023, 53.78% of our borrowers have a ticket size of less than ₹ 40,000, while only 16.81% of our borrowers have a ticket size exceeding ₹ 60,000. Accordingly, we have focused on building our business on the granular basis of small ticket loans, thereby spreading the risk among a large base of borrowers. At the same time, we are able to leverage our borrower base to scale our business on the back of vintage and payment track record of our borrowers.

We believe our existing position as the third largest MFI in India in term of AUM as of March 31, 2023 (*Source: CRISIL Report*) places us well to capture macro tailwinds and provides us a clear growth runway. Our existing infrastructure and understanding of regional nuances, built on the back of our expansive presence and market share, enables us to further penetrate contiguous geographies and grow our operations more efficiently.

Commitment towards simplified, borrower-centric products and processes which help in better business transparency, growth and borrower relationship

Our business is focused on financial inclusion, along with ease of doing business with us. To cater to our borrower base, which comprises women even from rural areas, we focus on simple and standardized products that borrowers can easily familiarize themselves with.

We focus on lending through the joint liability group ("**JLG**") model. JLG loans are based on a peer-liability sharing model through mutual guarantees, where borrowers avail of loans without having to provide collateral or security on an individual basis. Credit discipline is promoted through mutual support within the group and prudent financial conduct among the group. To enable clear lines of communication with us, and to provide timely interventions, our FDAs are regularly in touch with our borrowers including being present at meetings of the JLGs and are able to address concerns that are raised at the meetings. We have a dedicated grievance redressal desk, which attempts to address any concerns responsively. We focus on transparency throughout the life cycle of our loans, and to that end borrowers are able to digitally track their dues, existing loans availed and other servicing details. In our experience, this has led to borrower stickiness, and as of June 30, 2023, 52.50% of our microfinance loan borrowers have completed two or more loan cycles with us. As our borrowers continue their journey with us, they are able to benefit from higher ticket sizes on offer, which they are able to utilize towards ventures that facilitate long-term income generation.

For ease of repayment by our borrowers, we keep our primary microfinance loan product standardized and simple, which facilitates ease of understanding by our borrower base. We ensure that the equated payment installments are relatively small (less than approximately ₹ 5,000 per installment) and can ensure granular collections. Our primary microfinance loan product comprises 91.81% of our AUM. This base microfinance loan product has a standardized tenure of 24 months at disbursement, as of June 30, 2023 and repayment cycles of 28 days each, with standardized yields. We also charge processing fees at the time of onboarding. As of June 30, 2023, 68.40% of our microfinance loan branches were located in rural areas, and we cater to borrowers from these regions through active credit awareness programmes, training in credit discipline as well as standardized, simplified loan offerings. We have recently started mid-term loans, which comprises of only 0.52% of our microfinance loan portfolio as of June 30, 2023. Other than this, we provide product loans to acquire domestic products which comprise 2.58% of our microfinance loan portfolio. Other than these, we do not provide any other type of loans under the microfinance loan category.

Further, the primary target borrower segment for our microfinance business are women in households who are engaged in income-generating activities, or who intend to begin new income-generating activity on their own. Accordingly, we plan meetings at times that are suitable to women, before the workday begins. In line with regulatory stipulations, we also account for household income in our loan appraisal process, recognizing that it may not be possible for women to evidence active income or accurately compute all details of household income holistically. Our employees undertake multiple steps in these holistic checks, including visits to the borrower's family, ensuring consent of the JLG group, analysing the assets owned by the borrower's family, among others. Our JLG groups typically comprise approximately five members and can be formed quickly, within even a day. The strategic group size creates familiarity between the borrowers and FDAs and allows us to schedule meetings efficiently. We have chosen a longer repayment cycle of 28 days instead of weekly collections to minimize the discomfort or inconvenience faced by borrowers owing to frequency of FDA visits to their residence.

To protect against the financial risks arising from death of income earners within the household, we offer credit shield insurance to borrowers and co-borrowers to whom we disburse loans. Our commitment to borrower engagement and capability building is also demonstrated through the non-financial, community outreach initiatives that we organize, such as financial literacy programmes and women entrepreneurship programmes.

Our operations have grown at a steady pace owing to our ability to meet borrower requirements, and in Fiscal 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, we have disbursed microfinance loans amounting ₹ 35,697.50 million, ₹ 51,869.04 million, ₹ 83,973.30 million, ₹ 10,983.66 million and ₹ 18,143.19 million, respectively, at a CAGR of 53.37% between Fiscal 2021 and Fiscal 2023.

Our collection efficiencies for Fiscal 2021, 2022, 2023 and the three months ended June 30, 2022 and 2023 have been 95.59%, 85.01%, 101.20%, 100.95% and 100.92%, respectively, demonstrating our collections ability.

Low-cost liability franchise, backed by diverse borrowing mix and lender base; First NBFC-MFI to be rated AA- by a credit rating agency

Our ability to access diversified sources of funding is a key contributor to our growth. In Fiscal 2023, we had the second lowest cost of borrowings among the MFI Peer Group in India. (*Source: CRISIL Report*) In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, our average cost of borrowing was 9.97%, 11.20%, 9.01%, 2.59% and 2.65%, respectively, reflecting the competitive terms at which we have availed of debt financing in the three preceding Fiscals and the three months ended June 30, 2022 and 2023. This was while the monetary policy committee increased the repo rate to 6.5% in February 2023. (*Source: CRISIL Report*)

We believe we have the ability to access borrowings at a competitive cost due to our high credit ratings, conservative risk management policies and brand equity. We are one of the youngest NBFC-MFIs with a relatively strong credit rating of CRISIL 'AA-'. (*Source: CRISIL Report*) This indicates our financial resilience, and enables us to avail borrowings at competitive costs. We were the first among the MFI Peer Group to be rated AA- by CRISIL (*Source: CRISIL Report*), in August 2019, highlighting our legacy of financial performance. Further, we were also the fastest MFI to receive the AA- rating, within three years from our previous rating. (*Source: CRISIL Report)*

As a subsidiary of MAFIL, we are able to leverage our Promoter's established credentials in order to scale our funding requirements. While our Promoter has not provided any corporate guarantees on our behalf, we benefit from our Promoter's contribution to our Tier I and Tier II capital.

We have a large and diversified mix of lenders. As of June 30, 2023, we have 58 lending relationships. This includes borrowings availed from 31 banks, including eight public sector banks, nine foreign banks and 16 private banks, as well as 11 NBFCs and other financial institutions. 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, foreign banks other non-banking financial institutions, developmental financial institutions, multilateral agencies and public investors, together with NCDs, pass through certificates, and direct assignment of loans. For further information, see "*Selected Statistical Information - Sources of Capital – Borrowing mix*" on page 294. We are eligible to borrow priority sector loans from banks for on-lending as a microfinance company.

Over Fiscal 2021, 2022 and 2023, we have also raised ₹ 3,276.00 million through external commercial borrowings from three lenders, of which the balance outstanding as of June 30, 2023 was ₹ 3,220.43 million. Over Fiscal 2021, 2022 and 2023, we have also raised ₹ 23,980.00 million through the issue of both listed and unlisted secured and unsecured non-convertible debentures. The balance outstanding on account of such non-convertible debentures as of June 30, 2023 was ₹ 13,483.33 million. Over Fiscal 2021, 2022, 2023 and the three months ended June 30, 2022 and 2023, we have received debt financing amounting to ₹ 21,772.57 million from development financial institutions. We have also raised Tier II capital of ₹ 4,300.00 million with repayment tenure of over five years as of June 30, 2023. The outstanding balance of Tier 2 capital as on June 30, 2023 was ₹ 4,990.41 million.

We continue to augment our efforts to diversify our sources of capital as it provides us with access to a wider set of investors and ability to scale our business. We have increasingly focused on our exposure towards low-cost borrowing sources. In addition, we have limited our exposure towards short term sources of funds, as set forth below, allowing us to manage our assets and liabilities efficiently:

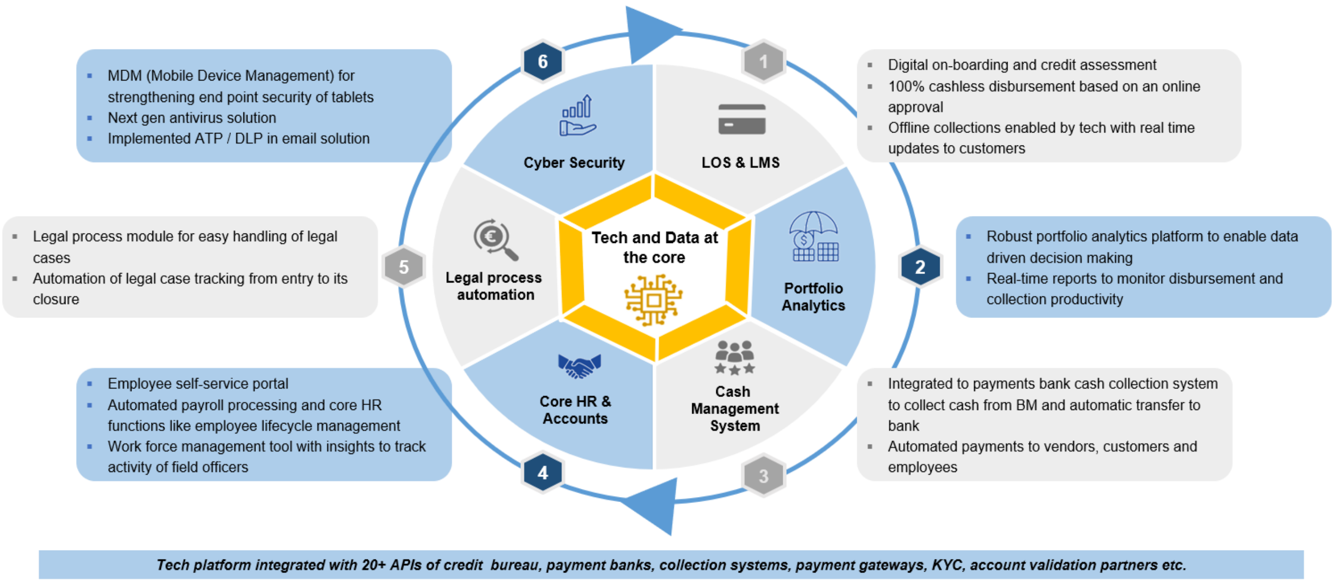
Payment due by period (as of June 30, 2023)							
Less than one year	**Percentage of total borrowings (%)**	**1-3 years**	**Percentage of total borrowings (%)**	**3-5 years**	**Percentage of total borrowings (%)**	**More than 5 years**	**Percentage of total borrowings (%)**
(₹ million, except percentages)							
56,679.49	58.63%	34,646.63	35.84%	2,099.03	2.17%	3,250.00	3.36%

In terms of our assets and liabilities, as of March 31, 2021, 2022, 2023 and as of June 30, 2022 and 2023, our assets had an average tenor of 1.60 years, 1.41 years, 1.47 years, 1.33 years and 1.42 years, while our liabilities had an average tenor of 2.08 years, 2.29 years, 2.13 years, 2.31 years and 2.10 years. We have a judicious asset liability management policy, which is demonstrated by positive cumulative mismatch on maturity of our assets and liabilities as of March 31, 2021, 2022 and 2023 and as of June 30, 2022 and June 30, 2023, which has allowed us to meet the growing loan demands of our rapidly increasing borrower base. For further information, see "*Selected Statistical Information - Asset Liability Management*" on page 291.

Advanced, integrated and scalable technology-enabled infrastructure

Recognizing the challenges inherent in the microfinance business on account of having a large borrower base that is expansive and primarily based in rural areas, we have focused on strengthening our infrastructure through digital means. We have made significant investments in technology to strengthen our borrower onboarding mechanisms and business processes, from borrower acquisition through the loan's lifecycle management, including appraisal, sanction, disbursement, monitoring and recovery. We have received ISO 2001 2013 certification from BSI for the operationalisation for information security control.

We have a core banking solution based loan management system ("**LMS**") integrated with core business functions of digital and offline collections, human resources and attendance, dedicated learning platform, borrower support, borrower grievance redressal, accounting, treasury, asset management and legal tracking. The LMS is seamlessly integrated with digital service providers for borrower credential validation, credit worthiness verification, bank account validation, digital and offline collection, work flow management, paperless approvals, digital meetings, among others.



Our financial accounting package, HRMS system, are all largely integrated with the loan management system. These systems have been developed by our internal team along with our IT vendor – Manappuram Comptech and Consultants Limited ("**MACOM**"), a member of our Promoter Group and our Group Company, as well as through the support of other IT vendors that have been engaged by us or by MACOM. MACOM's identity as a subsidiary of our Promoter provides allows us to rely on it and ensure confidentiality in services availed, ensuring the integrity of our infrastructure and IT systems.

Key features of our technological stack include:

Borrower onboarding and underwriting

- Approximately 8,000 tablets are deployed with FDAs., as of June 30, 2023. This enables each FDA to capture details of potential borrowers on a digital platform on a real time basis, allowing paperless data capturing and speedy borrower onboarding
- We use Aadhar and voter identity card, which we are able to digitally verify through APIs; name and address of borrowers are updated digitally; mobile number is verified through OTP authentication; and delinquency levels of new borrowers are verified through real time credit bureau checks.
- We have risk wise controls such as automatic KYC verification; built-in age criteria checks; use of two KYC details for more accurate credit bureau reports; and dedupe check for primary KYC, secondary KYC, mobile number and bank account number checks. Instead of separate front end teams that acquire borrowers and a back-end team that undertakes KYC checks, our onboarding process is driven by automation and digital checks that provide immediate response on KYC verification.
- Our data stack is able to capture information as provided by borrowers such as house type, assets, income, expenses and existing EMI details to check reliability of income and expense data; our systems are able to cross-check information from credit bureaus for borrowers with bureau data records, for the fixed obligations of a household, based on which loan eligibility is calculated.

Loan disbursement process

- We have system-based controls over the comprehensive group training ("**CGT**") and the GRT prior to disbursement; we are able to geotag each branch, centre and the residence of the borrower; any account mismatch from inbuilt test mechanism (such as different account holder names) leads to automatic rejection, and any exceptions need to be fed to the system individually; our system-based controls capture images of all documents and credentials.

- We have enabled cashless disbursement based on online approval of loan applications. In Fiscal 2021, 2022, 2023 and the three months ended June 30, 2023, all of our microfinance loan disbursals have been cashless and fully online.

Borrower retention

- Our database of borrowers and their payment history helps us to identify borrowers who have better credit standing and retain them in subsequent loan cycles. Our database provides eligible loan amounts based on internal automated logic and borrowers' profile validation. We continue to enhance our lending logic based on our experiences over time.

Collections

- Tablets provided to FDAs are loaded with our collection application which in turn is integrated with our loan management system. The application allows us to track and monitor group meetings, attendance, demand, collections, delinquencies on a real time basis for each centre. It also allows us to collect specific information on advance collections, part collections, overdue collections and foreclosures on a real time basis for each borrower.
- Automated system generated SMS notifications are provided to borrowers prior to and after collection, as well as for intimating delinquent clients on their overdue balance.
- For ordinary collections, our systems automatically reflect the amount due against each borrower, and allows our loan officers to submit centre-wise collection details; for advance collections, the loan officer is able to enter advance collections of a maximum of three months' instalments; arrear collections are also facilitated on the application as centre-wise overdue and collections can be computed and uploaded to our database in real time; the loan officer is able to foreclose a loan upon borrower request, subject to internal processes.
- We also encourage regular follow-up by FDAs, assistant branch managers and branch managers for recovery. In case of microfinance loans, a notice will be forwarded to the borrower intimating failure in payment of EMIs. If a microfinance loan borrower has paid one EMI within the preceding 90 days, then no notices are processed against the borrower. In case of MSME Loans, the usual process of sending notices on 60-90 DPD is followed.
- We extend the flexibility of online digital payments to borrowers based on our own application as well as on third-party payment applications that are mobile and web-based. Borrowers can also view and monitor their account statements though our 'Asirvad Customer Self Service App'.

Centralised monitoring

- We capture geo-locations of each centre and borrower's house prior to loan sanction.
- We have a workforce management tool that enables us to track activities of field officers.
- Our system generates real time reports on:
  - activities of loan officers and their updates to the collection system;
  - business transactions in progress, including product-wise and stage-wise processes and disbursements, which helps monitoring team on the field receive updates in real time.
- Our real time management information system also provides live cash balance with each FDA and at each branch, which helps our operations team monitor cash handled by a branch/ FDA at any time.
- We are able to view PAR value of each branch, which helps monitor asset quality and efficiency.

We aim to remain accessible to our borrowers in order to be their lender of choice. Accordingly, we have a defined policy for timely redressal of borrower grievances. Based on the nature of the issue raised, borrower queries are categorized as enquiries, requests and complaints. According to the severity and criticality of the issue raised, queries are further bifurcated into four levels, i.e., general inquiry and request, service delays or defects, misbehaviour and fraud cases. In addition, while we focus on digital operations, we provide regular message updates and have designated call centres to maintain open channels of communication and confirm cashless disbursements with borrowers. We have a digital borrower grievance redressal mechanism.

We are able to capture a significant amount of data points through micro-services driven, agile API stack enabling independent validation from source, borrower trade line reports, observations from our front end team, and feedback from our management teams. Our loan management and loan origination systems provide us with a seamless transaction processing capability and standardization of processes across branches which finally flows into a cloud-based central repository. Our digitized loan process with cashless disbursements aims to minimize fraud and theft, and ensure reduced turnaround time. In each of Fiscal 2023 and the three months ended June 30, 2022 and June 30, 2023, 100.00% of our borrowers were onboarded digitally, and 100.00% of our disbursals were cashless.

Additionally, our field agents are able to post collections in front of borrowers at their own center locations with real time SMS facilities, creating a transparent repayment process that builds borrower confidence in us. We are able to monitor effective hours and distances covered by our officers, in course of their visits to designated branches, centers and joint liability group meeting locations.

Continuous focus on risk management, on ground audit, vigilance checks and crisis-tested collection capabilities, leading to healthy asset quality

We assess risk at both macro and micro levels on a continuous basis. Our macro-level risk mitigation measures include detailed geographical exposure limits to limit regional asset concentration and local adversities. To avoid concentration risks to our portfolio, we have self-imposed exposure norms, which aim to limit our AUM exposure in a state to 10% of our total AUM and in each district, to 1% of our total AUM.

Further, our Board has adopted a policy through which we seek to limit our exposure to 5% of the estimated MFI market size within a state, as estimated by our Company based on publicly available data, if our Company's total AUM is more than ₹ 100 million in that state. Through these concentration mitigation measures, we have been able to successfully navigate through crises such as demonetization, the floods in Kerala in 2018 and 2019, the cyclone in Tamil Nadu in 2019, the COVID-19 pandemic and the Odisha floods in 2022.

At an operational level, our risk management approach starts with selection of lower risk business destinations and opening of branch offices based on industry and peer comparison data at an industry level. This requires the risk management team to filter out geographic areas with track record of high delinquencies on account of economic, political, social and environmental factors. Thereafter, the operational team initiates branch set-up and commencement of business. We have adopted pre-defined policies and systems, which cover selection of borrowers, determination of group size, sanctioning ticket size based on borrower profile, selection of teams and adequate training to employees and borrowers, creating the next level of risk management and control. Detailed monitoring of collections data forms the bedrock of our risk management at the borrower level. Online data support on real-time basis allows us to identify early delinquent risks within groups and borrowers. Specific identification and risk profiling of delinquent borrowers forms the next level of our risk management.

Based on the data collected, our branches are categorised into various categories of risk based on employee behaviour pattern, collections, delinquencies, among others, with higher risk branches being subject to greater supervision and monitoring.

From onboarding through disbursement and even thereafter, we have audit and diligence oversight across branches. Our on-ground audit team of 441 employees as of June 30, 2023, closely track our onboarding, disbursement, collection and delinquency positions regularly. All branches are audited on a monthly basis with higher risk branches being audited with higher frequency and for longer durations. Further, there is an independent vigilance team which oversees the function of the audit personnel and reports directly to our Managing Director.

For governance of our risk management functions, we have a Risk Management Committee, the majority of whose members are Independent Directors. The Chief Risk Officer reports operationally to the Chairman of the Risk Management Committee and administratively, to our Managing Director. The Risk Management Committee meets periodically for governance and monitoring of the overall risk of our Company. We have set out clear policies and guidelines to support our risk management at every stage, including our credit risk management policy, asset liability management policy, fair practice code, KYC/ AML guidelines, outsourcing policy and information security policy, as well as our policy on exposure limits.

Through our risk management and mitigations measures, we have been able to maintain robust asset quality. Set forth below are certain details regarding our asset quality in the corresponding periods:

	As of/ For the Year Ended March 31,			**As of/ For the Three Months Ended June 30,**	
	2021	**2022**	**2023**	**2022***	**2023***
	(₹ million, except percentages and ratios)				
On-books Portfolio	51,266.02	57,556.93	89,776.25	58,503.81	85,309.11
Gross NPAs(1)	908.68	960.80	2,519.07	4,529.78	2,468.87
NPA Provision(2)	906.86	789.68	1,507.94	3,477.13	1,383.25
Net NPAs(3)	1.82	171.12	1,011.13	1,052.65	1,085.62
Bad Debts Write-off(4)	1,434.61	3,945.28	1,120.59	-	515.26
Write-offs, as a percentage of on-books loan portfolio (%)	2.80%	6.85%	1.25%	0.00%	0.60%
Provision Coverage Ratio (%)(5)	99.80%	82.19%	59.86%	76.76%	56.03%
Collection efficiency – microfinance loans(6)	95.59%	85.01%	101.20%	100.95%	100.92%

** Unannualized figures.*

Notes:

(1) Gross NPA represents On-books Loan Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.

(2) NPA provision represents provision against accounts identified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.

(3) Net NPA represents Gross NPA reduced by NPA provisions as of the last day of relevant period.

(4) Bad Debts Write-off includes bad debts written off during the relevant periods.

(5) *Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.*
(6) *Collections efficiency represents the ratio of our Microfinance loan collections, including overdue collections, to billings in the relevant period.*

Experienced Board of Directors and senior management, backed by marquee parentage

In the interest of maintaining robust corporate governance, our management is guided by our Board of Directors, comprising 13 directors, which also includes eight independent directors who have diversified experience in the fields of finance, microfinance, credit rating, legal, human resources, public administration, among others. This comprises a higher proportion of independent directors on the board of directors compared to most of the MFI Peer Group. (*Source: CRISIL Report*). Four Directors on our Board are also on the board of directors of MAFIL. These include the Chairpersons of the Audit Committee, Risk Committee, Nomination and Remuneration Committee of MAFIL as well as the Managing Director and CEO of MAFIL, who is also the Chairman of our Company. We are able to benefit from the experience of our Chairman, Vazhappully Padmanabhan Nandakumar, who has been helming MAFIL for a period spanning three decades. Our Board is duly supported by eight committees, the majority of which are chaired by Independent Directors.

We are led by qualified and experienced management personnel. Our leadership team is instrumental in developing and implementing our business strategies, and are committed to fair and transparent business practices. Our Managing Director, CEO-MFI, Business Head – Loan against Gold, Chief Financial Officer, chief technology officer, Company Secretary and Compliance Officer, head of human resources, internal auditor and head of internal audit and chief compliance officer are all experienced erstwhile employees of MAFIL. Our senior management is supported by a team of qualified, experienced and dedicated employees, who are from the microfinance industry or have grown with the business. This includes our Field Zonal Managers, Regional Managers, Area Heads and Branch Heads.

To boost employee productivity and morale, we undertake employee training initiatives such as online courses. Further, we prioritize internal promotions over lateral entry to ensure that employees are rewarded for their commitment to us, and have a sound understanding of our business ethos. We believe the breadth of our management's background and the depth of its experience, supported by our committed employee base, will continue to drive our dynamic growth and continued success.

Our Promoter, MAFIL acquired management control of our Company in 2015 and is one of the largest NBFCs offering loans against gold in India in terms of AUM as of June 30, 2023. (*Source: CRISIL Report)*. Our association with the 'Manappuram' identity provides us with a distinct competitive edge and instills confidence and trust among our stakeholders, including borrowers, partners, and investors. While we function independently from our Promoter and do not share any branch premises in our microfinance loan or Loan against Gold businesses, we derive brand advantage from our established parentage and have access to experienced personnel, and support across governance processes and marketing leverage. MAFIL has an e-training portal, which our employees are able to upskill from. Further, we leverage Manappuram Comptech and Consultants Limited's technology capabilities for operating and maintaining our IT infrastructure. Our business operations are periodically reviewed by the chairman of MAFIL, leading to oversight and guidance. In addition, we benefit from equity infusion by MAFIL. Moreover, the strong brand recognition helps generate avenues for expansion.

Strategies

Deepen, expand and continue to profitably grow our microfinance business while strengthening market leadership

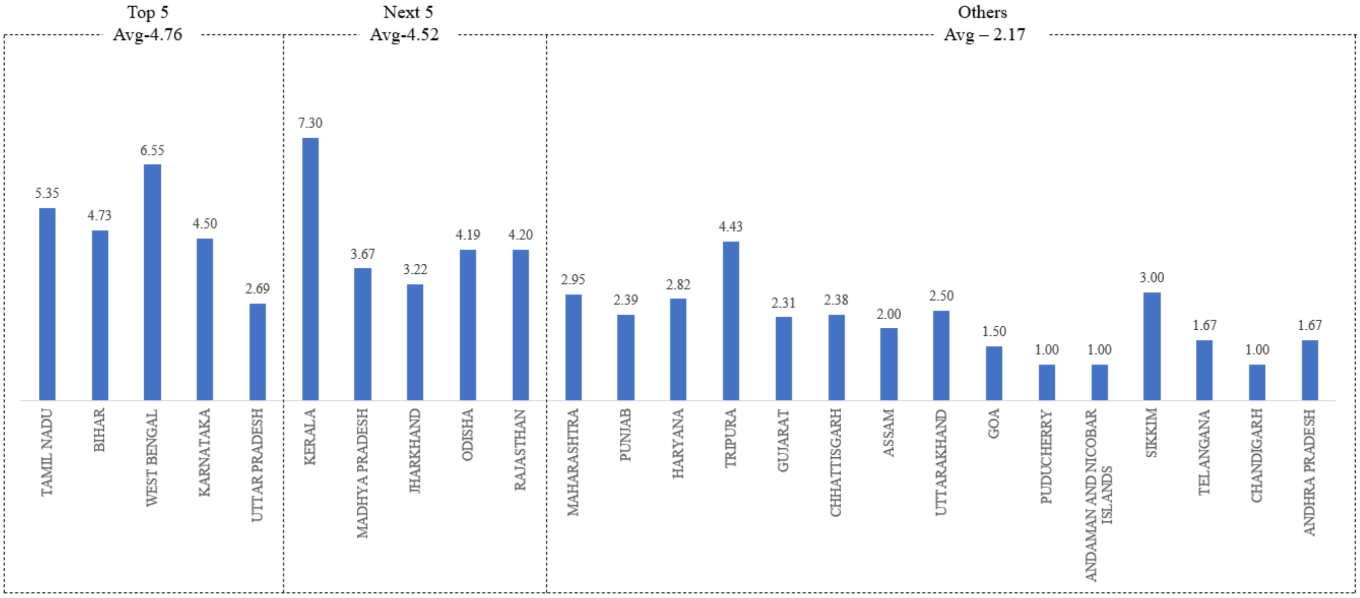
Despite 65% of population and 47% of GDP contribution, the rural segment's share in credit remains low at 9% of bank credit outstanding as of March 2023, thereby opening up a huge opportunity for savings and loan products. (*Source: CRISIL Report*) With the government's focus on financial inclusion, financial institutions are opening new branches in unbanked areas and as of June 2023, the share of rural segment in overall MFI portfolio increased to 61% of the gross loan portfolio from 47% in Fiscal 2016. (*Source: CRISIL Report*) In case of NBFC-MFIs, the rural share increased to 65% from 51%, due to less competition and lower credit penetration, and this significant under-penetration of credit in rural areas offers strong potential for growth. (*Source: CRISIL Report*) Given the relatively deeper reach, existing client relationships and employee base, MFIs are well placed to address this demand which is currently being met by informal sources such as local money lenders. (*Source: CRISIL Report*) NBFC-MFIs like ours has been growing to meet the needs of the underbanked segment. At the same time, the mix of rural branches in our microfinance loan business has increased to 68.40% of total branches as on June 30, 2023, compared to 53.95% of total branches in as of March 31, 2021.

The MFI industry is expected to record a CAGR of 16% between Fiscal 2023 and Fiscal 2026. (*Source: CRISIL Report*) Within the sector, NBFC-MFIs have been growing aggressively, with their loan books logging a CAGR of 32% between Fiscal 2016 and Fiscal 2023 and as of Fiscal 2023, NBFC-MFIs had the highest market share at 37% of overall MFI gross loan portfolio. (*Source: CRISIL Report*) The RBI introduced a revised regulatory framework effective October 1, 2022, which grants greater flexibility to NBFC-MFIs, which is expected to stimulate growth in the NBFC-MFI segment and enable the share of NBFC-MFIs to increase to 43% by Fiscal 2026. (*Source: CRISIL Report*)

Further, the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 has allowed MFIs to pass on borrowings costs and enables us to lend more effectively and widely, without being required to absorb losses in high interest rate environments. Regulatory updates such as this, and the higher household income eligibility for microfinance loans, place us well to leverage our existing expansive operations and scale up further in a sustainable manner.

The overall microfinance industry's gross loan portfolio is expected to continue to see strong growth on the back of the GoI's continued focus on strengthening the rural financial ecosystem, robust credit demand, and bigger-ticket loans disbursed by microfinance lenders. (*Source: CRISIL Report*) With economic revival and unmet demand in rural regions, the overall microfinance portfolio size is expected to reach ₹ 5,451 billion by the end of Fiscal 2026. (*Source: CRISIL Report*) We expect to grow our business through a combination of branch expansion, new borrower acquisition, increase in productivity, higher retention ratios of existing borrowers and increase in ticket sizes.

For instance, in the top five states of our operations in terms of AUM as of June 30, 2023, our average branch presence per district is only 4.76. Similarly, the average number of branches per district in the next five states is 4.52, while the average number of branches per district in the rest of our operating states is 2.17, as set forth below:



This highlights future growth potential across the states we operate in, covering our top ten states as well as other states, since will be able to deepen our presence in the relevant districts of such states and target additional borrowers. As of June 30, 2023, our microfinance loan portfolio is present in 395 districts, of which only seven districts have exceeded the risk threshold limit of 1% of our AUM. This provides scope for significant penetration and growth.

As we grow our branches, add FDAs and improve branch productivity, we will be able to continue acquisition of new borrowers. In Fiscal 2021, 2022 and 2023, we acquired 309,805, 482,557 and 1,050,312 new borrowers. In the three months ended June 30, 2022 and 2023, we acquired 104,073 and 199,666 borrowers. As of June 30, 2023, we have 3 million borrowers who may be eligible for further loans once they have completed their current loan cycle by repaying their dues. 47.50% of these borrowers are in their first loan cycle with us, and may require loans subsequently as well. We may consider offering larger value loans to borrowers in their individual capacities once they have successfully availed of and repaid joint liability group loans, which are typically of small ticket sizes. In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, our average ticket size (on disbursement basis) for microfinance loans was ₹ 28,987.36, ₹ 30,549.24, ₹ 37,197.33, ₹ 40,249.26 and ₹ 35,308.82, respectively. Our existing borrowers provide significant potential for microfinance loan disbursements and growth in AUM.

Our existing borrower base is also a suitable demographic in terms of age for availing of additional loan cycles. As of June 30, 2023, 46.41% of our borrowers were less than 40 years old, revealing their possibility of growing in vintage with us, as they would be suitable for, and in requirement of, loan cycles in tandem with milestones in their life cycle.

We intend to increasingly add microfinance disbursements in our exclusive Loan against Gold branches, transforming these branches into hybrid branches. Such hybrid branches cater to disbursement of microfinance loans along with Loan against Gold disbursements, thereby enhancing the portfolio for the microfinance loans business.

Continue to diversify our source of funds and widen our lender base to scale our borrowing requirements while lowering costs

We have been able to access cost-effective debt financing and reduce our average cost of borrowings over the years due to our stable credit history and improving credit ratings, diversification of borrowings and enhancement of the scale of our business. Our average cost of borrowings was 9.97%, 11.20%, 9.01%, 2.59% and 2.65% in Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, respectively. In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and

2023, our incremental cost of borrowings was 9.90%, 9.35%, 9.35%, 7.66% and 9.75%, respectively. A lower average cost of borrowing enables us to competitively price our loan products and helps us grow our business and operations. We intend to continue to diversify our funding sources, identify new sources and pools of capital with the aim of further optimizing our borrowing costs and expanding our net interest margin. For instance, we may consider issuing ESG bonds, availing of external commercial borrowings, issuing non-convertible debentures and exploring other fund-raising options in the ordinary course of business. Further, we intend to expand and diversify our lender base. We are focused on our asset and liability management to ensure that we continue to have a positive asset-liability position.

As of March 31, 2023, our mix of source of funds included 56.27% from bank term loans, 15.91% from developmental institutional term loans, 17.80% from NCDs and 3.94% from external commercial borrowings. It also included 6.08% from securitization arrangements which were subscribed by various banks under their priority sector lending requirements.

While continuing to pursue borrowings from these sources, we will also explore issuance of different categories of bonds, enter into co-lending opportunities, issue commercial papers and undertake other funding opportunitiesin order to broaden the depth of our offerings. We also intend to leverage on our loan portfolio in order to enter into direct assignment transactions with banks. Such transactions would allow us to efficiently utilize our capital as assigned portfolios do not require any risk weightage on our balance sheet. We intend to continue to evaluate opportunities to securitize or assign loans to financial institutions, which we expect would enable us to optimize our cost of funds, liquidity requirements and capital management.

We believe with increased net worth, including from internal accruals, we would be in a position to widen our borrowing mix, lender base and raise debt at increasingly competitive terms going forward.

Further enhance our digital capabilities and data analytics to augment our risk management framework and scale our operations

As we grow our operations, we anticipate being required to strengthen our digital presence to enable cashless and paper-free transactions across geographies. We intend to continue to invest in technology for increasing our digital capabilities for improving onboarding, underwriting, business analytics, borrower experience, borrower retention, governance, risk management, improving data security infrastructure and cyber security components, and building our tolerance to cybersecurity risks.

We intend to focus on business analytics to streamline our borrower classification further, and lead to more accurate underwriting. We also intend to increase our focus on applying data we have gathered over the years by creating customized analytical decision models to enhance underwriting and collection procedures. Underwriting is likely to be a key area of development as we focus on business analytics, and we intend to leverage these to drive profitable outcomes for our business. Our risk based pricing of microlending relies on a score-based borrower assessment determined by factors such as geography, borrower identity, social, business and financial status of the household. Enhancing our product pricing capabilities will require additional data and analysis. Accordingly, as part of our data collections, we intend to analyze income, asset build-up and payment histories of our borrowers better, in order to better customize the pricing of our loans and interest rates on our products. We intend to use automation logic to assess the earnings of borrowers, their disposable income and EMI obligations, to ensure that pre-determined thresholds of disposable income are not exceeded on account of overall EMI payments.

We will strive to maximise retention of our borrowers who have a good track record through accurate, comprehensive and fast data collection and analytics on the back of integrating with credit bureaus and other agencies that serve as repositories of borrower data. We also intend to mitigate our risks of default by using automation logic to screen borrowers with early stage payment irregularities, in order to take corrective measures pre-emptively and reduce risk of delinquencies.

We strive to improve our borrower experience through reduction of turnaround time for onboarding and disbursement, providing flexibility through options for payment, real-time information of their outstanding credit and payment positions, addressing and borrower grievances. By furthering our digital and technology platform, our endeavour is to reduce our operating costs and increase efficiencies. Through our emphasis on improving data collection through the use of IT, we intend to be able to draw more accurate assessment and outcome analysis.

Further, we have contracted with Manappuram Comptech and Consultants Limited, one of our Promoter Group entities and our Group Company, for provision of technology support for our overall business operations. Our core banking software is provided by Manappuram Comptech and Consultants Limited, with the goal of flexibility and innovation in our business while limiting external reliance for the technology itself and retaining the source code within our group. Our accounting and human resource modules had also been integrated within this platform. We intend to build on the platform further and shall continue to collect and analyze data relating to cash flows and credit behaviour of our borrowers to derive a granular understanding of the needs of our borrowers.

Ensure an employee focused culture to continue to attract and retain talent

We believe a notable factor in our growth has been our employee base, who have extensive experience as part of our operations or as part of the operations of our Promoter, MAFIL. The senior management of our Company, such as our Managing Director, chief financial officer, Company Secretary and Compliance Officer, CEO-MFI, business head – Loan against Gold, head of human resources, chief technology officer, internal auditor and head of internal audit, are all erstwhile employees of MAFIL. This has enabled us to gain experienced personnel with a sound understanding of the group's ethos and culture, who are able to provide stability to our business and lower attrition risks at the senior level. Other than our senior management team, most employees have grown with our Company as part of our business.

We address employees' growth through training programmes online and at our branches. We have formulated our training brochures and other material internally, and update these periodically based on the growth and requirements of our business. We offer several schemes for personnel value enhancement and skill development through higher education courses, degrees and diplomas, which are offered to employees at various levels based on their academic and professional background. Some training courses are mandatory and need to be completed in order to be allocated certain responsibilities. Employees are also encouraged to undertake refresher courses. We believe these will allow for better control over the key resources of our Company as we expand our operations. At the same time, we have supported personnel within our Company in their rise through the ranks, and as of June 30, 2023, five of our seven zonal heads have been employed by our Company for more than five years. As of each of March 31, 2021, 2022, 2023 and as of June 30, 2022 and 2023, 100.00% of our zonal heads have also been promoted internally within our Company. We intend to continue incentivizing employee loyalty and retention through our policy of prioritizing internal promotions over lateral hiring.

BUSINESS OPERATIONS

We are the third largest MFI in India in terms of AUM, as of March 31, 2023, (*Source: CRISIL Report*) offering microfinance loans to women with an annual household income of up to ₹ 300,000. In addition, we offer secured Loans against Gold and MSME Loans to small business owners and self-employed individuals.

Product Portfolio

Set forth below are details regarding the types of products we offer, in the corresponding periods:

Loan Product	As of March 31,									As of June 30,					
	2021			2022			2023			2022			2023		
	Number of Loans	Amount (₹ million)	% of AUM	Number of Loans	Amount (₹ million)	% of AUM	Number of Loans	Amount (₹ million)	% of AUM	Number of Loans	Amount (₹ million)	% of AUM	Number of Loans	Amount (₹ million)	% of AUM
Microfinance loans	**3,765,734**	**59,408.76**	**99.27%**	**3,851,871**	**66,529.78**	**95.01%**	**4,499,693**	**92,972.07**	**92.59%**	**3,722,819**	**65,460.84**	**93.35%**	**4,661,283**	**93,104.47**	**91.81%**
– Income generation program loans	2,511,416	55,469.88	92.69%	2,765,778	63,638.46	90.88%	3,390,068	90,108.69	89.74%	2,736,735	63,030.74	89.88%	3,527,690	90,210.66	88.96%
– Mid-term loans	225,628	2,210.07	3.69%	197,394	1,215.19	1.74%	139,032	513.16	0.51%	172,132	1,008.41	1.44%	141,472	487.38	0.48%
– Product loans	1,028,690	1,728.80	2.89%	888,699	1,676.13	2.39%	970,593	2,350.21	2.34%	813,952	1,421.69	2.03%	992,121	2,406.43	2.37%
Loans against Gold	494	25.34	0.04%	46,364	3,005.69	4.29%	119,456	7,053.20	7.02%	66,116	4,208.14	6.00%	136,460	7,895.77	7.79%
MSME Loans	1,016	412.08	0.69%	1,279	486.36	0.69%	1,212	383.66	0.38%	1,258	456.33	0.65%	1,415	405.52	0.40%
Total	**3,767,244**	**59,846.18**	**100.00%**	**3,899,559**	**70,021.83**	**100.00%**	**4,620,361**	**100,408.93**	**100.00%**	**3,790,193**	**70,125.31**	**100.00%**	**4,799,158**	**101,405.76**	**100.00%**

Microfinance loans

As of June 30, 2023, we offer the following categories of microfinance loans:

Income generation program loans

These loans are our primary product, intended to provide capital to generate income for our borrowers' households. These loans are extended mainly to borrowers for businesses in sectors such as agriculture, animal husbandry, petty shop, trading and services. The following table sets forth the break-down of our income generation program loan portfolio as of June 30, 2023, based on end use:

End-use	Number of Loan Accounts (million)	Gross Loan Portfolio – Income Generation Program Loans (₹ million)	% of Total Gross Loan Portfolio (%)
Agriculture	2.22	66,172.50	71.07%
Animal Husbandry	0.18	4,835.22	5.19%

End-use	Number of Loan Accounts (million)	Gross Loan Portfolio – Income Generation Program Loans (₹ million)	% of Total Gross Loan Portfolio (%)
Consumption	0.32	1,644.53	1.77%
Education	0.00	14.94	0.02%
Manufacturing	0.17	4,868.01	5.23%
Services	0.64	12,675.46	13.61%
Total (Income Generation Program Loans)	**3.53**	**90,210.66**	**96.89%**

Under the income generation program loans, ticket sizes of loans range between ₹ 1,000 and ₹ 80,000. As of June 30, 2023, the interest rates on these loans are 25%, which is subject to periodic revision as suggested by our Asset Liability Management Committee ("**ALCO**"). We charge a processing fee of 2.00% (excluding GST) of the loan amount. These loans have a tenure of 24 months and are repayable in 26 equal, 28 day instalments. Borrowers can foreclose loans at any time within the tenure of the loan without any penalty charges.

SMS alerts are sent at the time of disbursement through bank account, and upon payment of installments. The installments can be paid physically at center meetings, or through online payment.

In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, we disbursed income generation program loans amounting to ₹ 30,906.94 million, ₹ 48,220.75 million, ₹ 81,657.57 million, ₹ 10,911.26 million and ₹ 17,292.46 million, respectively.

Product loans

Product loans are extended to facilitate purchase of household products that enhance borrowers' quality of life. Eligible products include items such as solar lamps, mobile phones and kitchen appliances that borrowers are desirous of purchasing. Product loans are offered to borrowers who already have an active loan with us. The ticket sizes of product loans range between ₹ 1,000 and ₹ 40,000 depending on the price of the item sought to be purchased, with a tenure of up to two years. As of June 30, 2023, the interest rate on product loans is 25%. The pricing is subject to monthly review by the ALCO. We charge a processing fee of 2.00% (excluding GST) of the loan amount.

In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, we disbursed product loans amounting to ₹ 889.17 million, ₹ 1,559.93 million, ₹ 2,106.88 million, ₹ 71.65 million and ₹ 556.02 million, respectively. AUM for our product loans as of March 31, 2021, 2022, 2023 and as of June 30, 2022 and June 30, 2023 was ₹ 1,728.80 million, ₹ 1,676.13 million, ₹ 2,350.21 million, ₹ 1,421.69 million and ₹ 2,406.43 million, respectively.

Mid-term loans

Mid-term loans are available at their discretion to borrowers of income generation program loans upon successful repayment of the sixth installment of the primary loan availed by them. The mid-term loan provides liquidity to borrowers and can be availed for a value of up to ₹ 20,000. As of June 30, 2023, the ticket size of mid-term loans ranges between ₹ 1,000 and ₹ 20,000. The interest rate on these loans as of June 30, 2023, is 25%, subject to revisions proposed by our ALCO, similar to terms applicable to our income generating program loans. We charge a processing fee of 2.00% (excluding GST) of the loan amount. Borrowers can foreclose mid-term loans at any time within the tenure of the loan without any penalty charges.

In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, we disbursed mid-term loans amounting to ₹ 969.15 million, ₹ 2,088.32 million, ₹ 208.86 million, ₹ 0.74 million and ₹ 294.72 million, respectively. AUM for our mid-term loans as of March 31, 2021, 2022, 2023 and as of June 30, 2022 and June 30, 2023 was ₹ 2,210.07 million, ₹ 1,215.19 million, ₹ 513.16 million, ₹ 1,008.41 million and ₹ 487.38 million, respectively.

Loans against Gold

We commenced our Loan against Gold business in Fiscal 2021 in order to build our secured portfolio, to balance the unsecured nature of our microfinance loan portfolio. In our Loan against Gold portfolio, gold ornaments are pledged as collateral against the loan availed. In line with the RBI guidelines for MFIs issued on March 14, 2022, our growth plans were revised. Based on the revised RBI guidelines and the updated ceiling on the maximum amount of non-microfinance loan assets, we do not intend to grow our Loan against Gold portfolio to a significant proportion of our on-book assets.

Our Loan against Gold portfolio includes flexible gold loan schemes such as Asirvad Takeover, Super Loan Plus, Dhan Shakthi, Samadhan Plus, Swarna Shakthi, among others. Depending on individual needs, we are able to customize loans for borrowers in terms of the loan amount, advance rate per gram of gold and interest rate. The loan amount sanctioned is based on the gold valuation, which involves verification of its purity. Stones are not factored in for the purpose of this calculation. We appraise gold in-house, using tested methods of appraisal, such as the nitric acid test, touchstone test, checking for hallmarks and the sound test, along with conducting independent appraisals by different officials before disbursement, depending on the ticket size. In addition, branch heads are required to independently verify loans where the net weight of gold exceeds 20 grams. These loans are disbursed upon the gold collateral, valid identification and address proof being provided. The ticket sizes for our Loans against Gold range up to ₹ 5.00 million, as of June 30, 2023, which our field agents are able to approve. Further, in terms of our gold loan policy, loans for any higher amount requires specific approval of designated officials or a committee comprising of designated officials. For security for our Loan against Gold portfolio, we have security devices at the relevant branches which are connected with our command control room. We have camera monitoring team, alert verification and GPS tracking in our command control rooms. In order to ensure better control over irregularities in our Loan against Gold branches, we implemented an automated irregularity management system to implement risk grading of branches factoring in irregularities in inspection, document, security, business and other issues. Based on this risk classification system, alerts are generated to Branch Heads, Area Managers and Regional Managers to undertake branch visits, following which they are required to provide updates on the status of verification with compulsory remarks. Our Loan against Gold employees are exclusively for this business and are not involved in the microfinance loan business. The employees and reporting hierarchy are distinct from our microfinance loan operations. All employees of our Loan against Gold portfolio, which include operation, audit, vigilance, risk, sales, among others, report to the business head of the Loan against Gold business. Our Loan against Gold portfolio does not have any common employees or executives with our Promoter.

As of June 30, 2023, our base interest rate on Loans against Gold ranges between 9.90% and 25.75%. However, depending upon the frequency of repayments and specific schemes, rebate is provided on the base rate. Monthly compounding interest is charged, which can be paid by the borrower at any time during the loan tenure or at the closure of loan. Interest is calculated on a reducing balance basis with typically minimum 15 days interest applicable for pledges. There is a processing charge of ₹ 10 at the time of loan settlement, and an additional processing fee on repledge. Our typical Loan against Gold scheme tenor is twelve months. Borrower sourcing is driven by branch-led walk-ins, and we have trained employees to test the purity of gold intended to be pledged as collateral. Growth in our Loan against Gold portfolio is proposed through addition of hybrid branches, product differentiation, product innovation, localised marketing efforts and competitive pricing. We intend to focus on ensuring enhancing the productivity of our Loan against Gold branches through increased employee efficiency and productivity, and only intend to increase branch numbers once existing branches achieve profitability.

Repayments can be made at Loan against Gold or hybrid branches or online through the Asirvad app. We have different Loan against Gold schemes on offer, to suit diverse borrower profiles and requirements, and based on the risk classification of our branches. If full repayment of the loan, along with interest and charges, is not made within the period of the loan or as specified by us, we are entitled to dispose of the gold through public auction at any time after two weeks from the date of auction notice to the borrower regarding non-payment.

In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, we disbursed Loans against Gold amounting to ₹ 50.53 million, ₹ 33,400.35 million, ₹ 108,468.75 million, ₹ 23,337.39 million and ₹ 30,098.73 million, respectively. As of June 30, 2023, our Loan against Gold portfolio comprised 2,454 employees. AUM for our Loans against Gold as of March 31, 2021, 2022, 2023 and as of June 30, 2022 and June 30, 2023 was ₹ 25.34 million, ₹ 3,005.69 million, ₹ 7,053.20 million, ₹ 4,208.14 million and ₹ 7,895.77 million, respectively.

We have separate sourcing and collection teams for our Loan against Gold business and our microfinance loan business.

MSME Loans

We offer loans to micro, small and medium enterprises in the manufacturing, service, trading and agri-allied activities to meet their working capital requirements, and for addition or replacement of capital assets.

Our secured MSME Loans have ticket sizes of up to ₹ 1.50 million. We also offer unsecured MSME Loans with ticket sizes up to ₹ 0.30 million. Our MSME Loans have tenures between one year and seven years, payable in instalments. Our secured MSME Loans are backed by mortgage of immoveable property. As of June 30, 2023, our MSME Loans bear interest rates ranging from 18% to 30% per annum, with processing fees of 1.50% to 2.00% (excluding GST). As of June 30, 2023, we have 23 MSME Loan branches, which include 17 exclusive MSME Loan branches, two branches shared with our Loan against Gold portfolio, four branches shared with our microfinance portfolio and six branches co-located with our Promoter, MAFIL.

As on June 30, 2023, the number of live MSME Loan accounts stood at 1,415 and the AUM was ₹ 405.52 million. In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, we disbursed MSME Loans amounting to ₹ 304.27 million, ₹ 127.34 million, ₹ 39.16 million, ₹ 4.77 million and ₹ 57.77 million, respectively. AUM for MSME Loans was ₹ 412.08 million, ₹ 486.36 million, ₹ 383.66 million, ₹ 456.33 million and ₹ 405.52 million, respectively.

Branch Network

While we commenced operations in 2008 in Tamil Nadu, we have grown to become a national MFI with expansive operations across the country. We have the largest presence across districts in India among the MFI Peer Group (*Source: CRISIL Report*) with our network of 1,738 branches spread across 450 districts in 22 States and four Union Territories, as of June 30, 2023, reflecting the depth and breadth of our operations. Through our branch network, as of June 30, 2023, we served 3.25 million active borrowers in our microfinance loan portfolio, 0.10 million active borrowers in our Loan against Gold portfolio and 1,415 active borrowers in our MSME Loan portfolio.

Details regarding our branches as of the corresponding periods are set forth below:

Product	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches	Number of Branches	% of Branches
Microfinance loans	1,025	96.52%	1,203	78.89%	1,206	71.62%	1,203	78.12%	1,206	69.39%
Loan against Gold#	21	1.98%	305	20.00%	178	10.57%	320	20.78%	221	12.72%
Hybrid(1)	-	-	-	-	283	16.81%	-	-	294	16.92%
MSME Loans(2)	16	1.51%	17	1.11%	17	1.01%	17	1.10%	17	0.98%
Total	**1,062**	**100.00%**	**1,525**	**100.00%**	**1,684**	**100.00%**	**1,540**	**100.00%**	**1,738**	**100.00%**

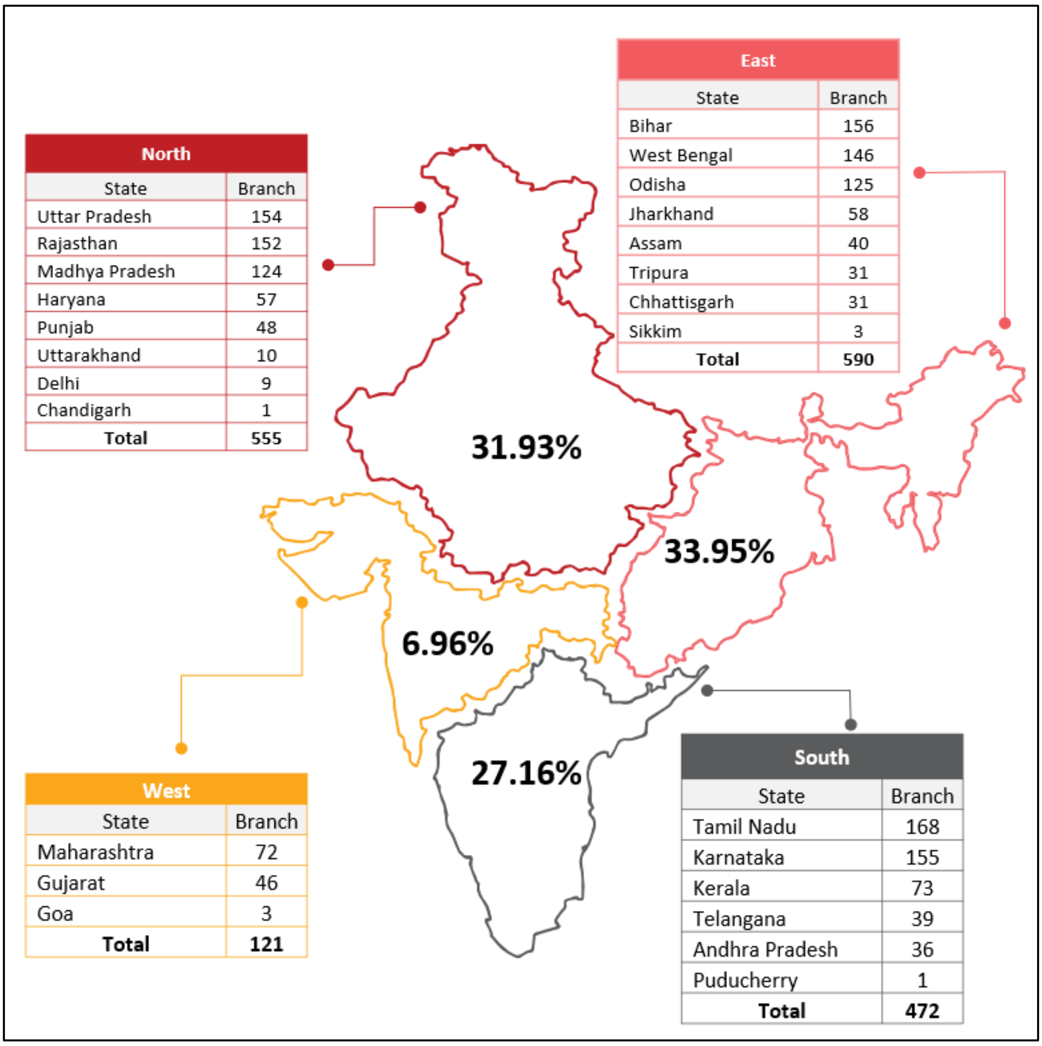
Notes:

(1) Branches which offer both microfinance loans and Loans against Gold.

(2) Includes branches shared with MAFIL. As of June 30, 2023, six MSME Loan branches are shared with MAFIL.

 # Certain Loan against Gold branches are subsequently converted into hybrid branches (Loan against Gold and microfinance loan) based on dynamic business requirements.

The map below illustrates the spread of our branches across India, including microfinance loan branches, Loan against Gold branches, hybrid branches and MSME Loan branches, as of June 30, 2023:



Map not to scale

We believe, based on the extent of our market share, that there is opportunity to increase our coverage in existing locations and expand geographically as well. The decision to open a branch is based on a detailed analysis of the potential catchment area, economic and business potential, competition and availability of human resource talent. When we review the potential catchment areas, we analyze retail density and diversity, overall business activity and financial literacy, among other factors.

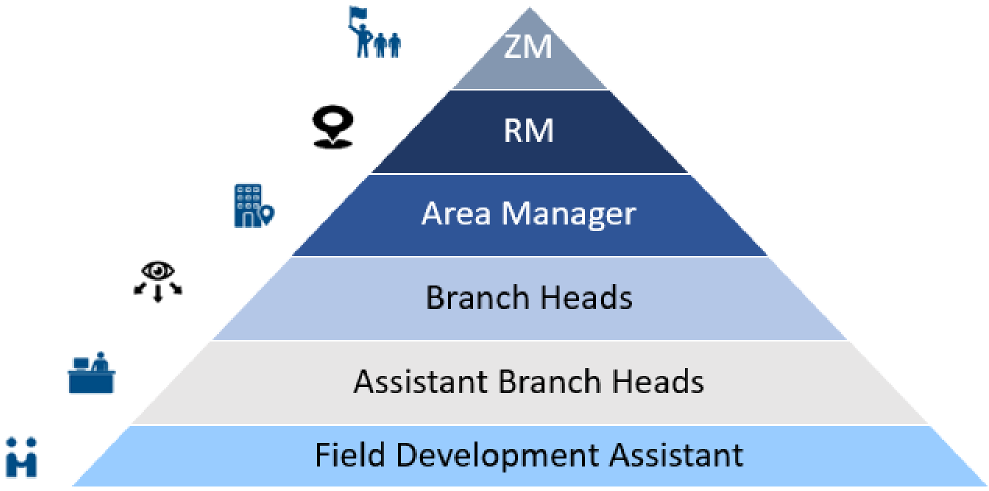
We analyze risks arising out of concentration and competition which can be addressed through structured approach by implementing a stringent approval process by taking into consideration various market indicators available specific to a location at pin code level and arriving at a balanced and informed decision by developing a risk score card by providing adequate weightage to multiple parameters related to industry, repayment, loan terms, among others.

We have also experienced higher productivity of our mature branches, which have been in operation for more than three years. As of June 30, 2023, 59.55% of our branches have been opened for longer than three years, 29.11% of our branches have been open for between one year and three years, and 11.33% our branches have been open for less than one year.

In terms of our MSME Loan portfolio, we have entered into agreements with our Promoter for carrying out our MSME Loan business from certain existing premises that our Promoter operates from already. As per these agreements, we have our own demarcated portion within such premises with our own set of staff, infrastructure, stationery and systems for our operations. For further information on our branch network, AUM split across states and branch productivity by vintage, see "*Selected Statistical Information*" on page 269.

Business Model

We have a structured sourcing methodology which leads to quality sourcing, with the following hierarchy:



ZM: Zonal Manager; RM: Regional Manager

We follow certain key practices as part of our microfinance loan business model, which includes:

Standardized loan product, policies, systems

Borrowers may have access to first cycle loans within one week of completion of onboarding requirements. Thereafter, loans are required to be released upon full payment of the previous loan. Borrowers can readily access the status of their loans through their individual loan card. For ease of transactions, all our branches of a certain loan category follow the same policies and procedures.

Compact centre meetings

Centre meetings are intended to last for not more than half an hour each week/fortnight/month and borrowers are not asked to commit to additional time at the centre even when there are uncollected payments.

Delinquency checks

We conduct frequent follow-ups when a borrower is in default. The relevant FDA visits the borrower's residence and collects the overdue payment within five days from demand. A delay in payment of more than five days leads to overdue charges and the payment history of the borrower is then required to be updated with credit information companies, in accordance with RBI directions.

Medium of transactions

Loans are disbursed in a cashless manner. Cash collection at centre meetings as well as online collections are enabled, with borrowers being able to choose the mode of payment based on their convenience. For cash collections, digital receipt and instant messages are sent to the registered mobile number and updated in the centre book and loan card of each borrower.

Group Lending

In our microfinance portfolio, catering exclusively to women, we rely primarily on non-traditional guarantee mechanisms such as the joint liability group model ("**JLG**"), rather than any tangible assets such as collateral. In a JLG model, borrowers form a group, typically comprising approximately five members, and provide joint and several guarantees for loans availed by each member of the group. This JLG model is premised on the basis that if women belonging to lower income segments are given access to credit, they may be able to identify new opportunities and grow existing income generating activities such as agriculture, animal husbandry, manufacturing and services, among others.

We lend to women in eligible income households, even if loan proceeds are used in the household business that is run by the family, including the husband. We believe that women can positively influence loan repayment in their household because they are generally more risk-averse, cooperate better in groups, are more accessible than their working husbands and demonstrate better discipline in meeting loan repayment schedules. We believe that providing women with access to capital increases their decision-making stature in the household and in the community as a whole and as decision-makers, they can help direct disposable income to the more basic needs of the home such as nutrition, education, health, savings and asset creation. The key steps in our JLG process comprise:

<u>Village survey</u>

After setting up a branch, a broad village survey is conducted in a prescribed format. The survey will have *inter alia* the following information: (i) number of households in the village, (ii) occupation categories of residents, (iii) number of low income families, (iv) any permanent source of income, (v) existing banking network facilities, and (vi) mobile network facilities, to gauge potential for smooth communication.

<u>General meeting</u>

Before commencing operation in a village, the Branch Head and Assistant Branch Head consult with personnel such as the sarpanch, anganwadi workers, self help group leaders, teachers and postmasters to organize one general meeting where all potential women members are invited. This meeting serves as an introduction to our Company, creating awareness about our history, mission, service offerings, interest rates and payment structures.

<u>Group formation and training</u>

Women applicants who fulfil the eligibility criteria enumerated earlier by the field staff can form groups. The FDA can form a minimum of three groups (comprising approximately six to 30 members) to set up a centre. After formation of three such groups, the FDA fixes the day and time to start training for three consecutive days. Full attendance in the training classes is compulsory for all the members.

Training encompasses topics such as: (i) membership criteria, (ii) group behaviour, JLG and its characteristics, (iii) late payment fee, insurance, GST, and the loan documentation process.

<u>*Borrower selection*</u>

We serve borrowers who are women from low income households, between 18 years and 58 years, residing in a serviceable location for us. The borrower's household income cannot regulatorily exceed ₹ 300,000 per annum, and the household payment obligation should be within 50% of the household income. Our JLGs cannot have more than one member from the same family.

We do not lend to borrowers who are in default to multiple lenders or are from over-indebted households. Additionally, we require regular attendance in group training, and take on borrowers for whom other members of the group are willing to take joint responsibility.

<u>*Centre formation*</u>

A centre is an informal group of approximately five to 20 women set up based on trust and knowledge of each other's business and background. Group members help to run their business and reside in the same locality. Each group selects a group leader who is responsible for coordinating repayments, liaising with our Company and regulating group peer pressure. Each group member takes on and agrees to guarantee the loan of others in the group.

<u>*Group formation*</u>

After a branch has been opened and the corresponding villages selected, our employees conduct public meetings in villages to introduce themselves and our Company. In these meetings, we showcase our product offerings and explain the concepts of group lending, our lending procedures and the requirements for group and center formation.

Our group sizes are small enough for members with common needs to be able to extend peer support and large enough for members to typically have the ability to repay for other members in the group in the event of a default. Each borrower within a group is eligible to obtain loans individually, after the completion of the compulsory group training, and subject to the consent of the other group members. The group will generally use peer support to encourage the delinquent borrower to make timely payments or will often make a repayment on behalf of a defaulting borrower, effectively providing an informal joint guarantee on the borrower's loan. As such, this structure serves as a self-checking mechanism that provides additional verification of a borrower's credit worthiness. Groups of five members are formed with one group leader. The members should know each other, live in proximity, and share a common intent of taking a loan on the basis of group guarantee. Aided by the small size of our groups, we try to form groups with borrowers residing in a 500 metre radius. We set up localised centres, often at the home of borrowers. This provides smaller clusters for group meetings which may be held quickly and comfortably for the group members.

Borrower checks

For KYC checks, we collect proof of identity, address, age and nominee details. While we primarily rely on voter identification cards and Aadhar as identity proof, we also require additional documents such as nomination forms and bank details.

We undertake credit bureau checks. In order to ensure that the members of each group are within the established credit lending norms, credit bureau enquiry is undertaken before the loan application process. In this process, basic KYC details are entered into tablets with field officers and an instant credit information report of the potential borrower is generated.

Compulsory group training

The FDA provides individual borrowers with necessary information about our Company and other financial details for them to apply for a loan. Additional information about the eligibility criteria, training, documentation process, loan products, terms and conditions are also provided.

Loan application

The loan application is submitted through our loan origination system module, wherein prospective borrowers agree on the terms and conditions of the loan and on joint liability for repayment.

Group verification

Conducted by the Assistant Branch Head, also referred to as the mini group recognition test, this process helps understand the borrower's knowledge of eligibility criteria, loan products, terms and conditions and the responsibility of becoming a client of our Company.

Group recognition test

The recognition test by BH conducts the assessment which involves a house visit of the member households, verification of the loan application, CGT and GRT report and KYC documents, and recommending the members for loan sanctioning.

Credit underwriting procedure

The decision to give a loan is done by conducting the credit assessment on each individual in the group; based on multiple parameters such as member profile and members' other obligations, their previous credit history and repayment capacity. Such information is collected based on the borrower inputs and it will be assessed by the FDAs to set the sanctioning and EMI amount limit.

Assessment of household income

A microfinance loan is collateral free in nature, and is provided to a household whose annual household income of up to ₹ 300,000. The term 'household' is defined as an individual family unit consisting of husband, wife, and their unmarried children

In this, the following information needs to be available for households:

- Composition of the household;
- Total number of members (earning);
- Total number of members (non-earning);
- Type of accommodation (Owned/rent etc.);
- Availability of basic utilities an amenities like electricity, water, toilet, sewage, LPG, or gas connection;
- Availability of assets like land, livestock, vehicle, furniture, smartphone, electronic times, among others.

Factors that we analyze include the sector of employment, nature of work (i.e., self-employed, salaried, regular or seasonal), frequency of income (daily, weekly, monthly), total months or days of employment over the previous year, self-reported monthly income and average monthly income. We also track other income sources such as (i) remittance, (ii) rent/ lease, (iii) pension, (iv) transfers from the GoI under any grants, (v) scholarships, and (vi) others, if any.

The above-mentioned income assessment must be calculated for all the earning members of household with respect to all primary as well as secondary source of income. The double counting of income must not be done a need to assess carefully.
The income calculation can be done on a monthly basis and must be assessed for a minimum period of one year in order to ensure the stability of the household income.

Assessment of household expenses

Regular monthly expenses are calculated such as expenses for food, basic utilities, transportation cost, house/shop rent, if any, clothing, regular medical cost, children's education fees. For a period of one year, regular expenses must be calculated such as medical expenses, house renovation cost, any purchase of household goods and functions, among others.

While assessing household income, we verify this through other sources such as member groups or references in the borrower's vicinity. The limit on repayment of monthly loan obligations of a household is a maximum of 50% of the monthly household income.

Loan disbursement

After verification and appraisal of the loan applications by Branch Heads and the FDA, the loans are to be sanctioned for disbursement to the members. Only Branch Heads, or in their absence, Assistant Branch Heads, are authorized to sanction loans. The loan amount will have to be sanctioned at the branch office, in the presence of all other members of the group. Before disbursement, the FDA/Assistant Brach Heads will collect the applicable Loan. All members should be present at the time of disbursement. Our Company opts for cashless disbursements directly to the bank account of the borrower. The disbursement process takes place at branch premises after completing the loan documentation process.

Loan utilization

The loan utilization check shall be conducted for every disbursement within 60 days from the date of disbursement, to ensure that the stated borrower has availed and utilized the loan for the purpose indicated in their loan application forms.

Group Meetings and Collections

Our branch managers and loan officers use regular center meetings as means to communicate with the members in our joint liability groups. Center meetings are a critical part of managing our borrowers and loan life cycles. Our loan officers are responsible for sourcing new borrowers and collecting instalment payments from our borrowers at center meetings. These collections can also take place digitally, to avoid risk of fraud in cash collections. Center meetings are typically held at a designated place in the village. The meetings are scheduled in advanced based on the repayment frequency agreed with the borrowers at the loan approval stage, and typically begin ahead of working hours, so borrowers can attend the meetings without interrupting their daily schedules.

Consistent contact through these meetings allows us to manage our loan portfolio by regularly collecting repayments on outstanding loans or disbursing new loans, reinforcing group stability, addressing community issues and eliminating the travel and time constraints that members may otherwise face. The meetings are compulsory for all group members, with attendance closely monitored and recorded. Persistent defaults is considered as a critical early warning sign of a borrower's failure to make timely repayment. We believe the meetings also serve as a means for members of the group to engage with and help each other in times of need.

Loan officers shall update cash collections in centre book and loan card of each client and real-time SMS will be provided to the registered mobile number of such clients. In the event of a missed repayment, the loan officer responsible for managing the account and the designated branch manager will commence a standardized collection process that includes a direct review with the group and the borrower to determine the cause of the missed repayment and the solutions to remedy it. We are able to track our loan officers and their activities through geo-tagging, which allows us to monitor their productivity. We believe that our loan officers, who are personally involved with our borrowers since the group formation and loan disbursement stages and regularly engage with our borrowers during the scheduled center meetings, are critical to managing our collection efficiency and ensuring the health of our portfolio.

In certain cases, the branch manager may also become involved in such discussions and deliberations. We may also disperse additional dedicated manpower for collection when required, and undertake to strengthen our collections infrastructure based on regular reviews and feedback.

As of June 30, 2023, our collections team comprised approximately 8,000 members.

Internal Audit

Our audit process conducts an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal guidelines. We maintain an internal control framework which we view as an essential prerequisite for the growth of business. We have well documented policies, procedures and authorization guidelines that are commensurate with our size.

The scope of annual internal audit is finalised by the management and approved by our Audit Committee. While our internal audit is conducted based on our risk-based audit plan, we classify our branches based on risk profile. For other functions, based on the risk perception, the areas which need to be audited and which require more attention are determined. We determine a risk matrix after assessing inherent business risk and control risk.

The reports generated by the internal audit team and any external audit firm appointed, are presented to our Audit Committee on a quarterly basis. The internal audit team is also responsible for ensuring timely closure of the observations noted in internal audit reports, and brings open observations beyond due date to the attention of our senior management.

We have an internal audit team of 441 employees, which includes field auditors and other staff, as of June 30, 2023, and the Head of Internal Audit of our Company, reporting functionally to the Audit Committee and operationally to the Managing Director. Our internal audit function assists us in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of our internal control, risk management and governance processes. In addition, our internal audit policies are in line with the risk-based internal audit framework set forth by the RBI.

The internal audit activity is conducted with systematic accountability for confidentiality and safeguarding records and information. The head of internal audit is responsible for managing IT audits, administrative functions, and audits of our loans business. There are internal auditors who are engaged in the audit of our microfinance loan, Loan against Gold and MSME Loan portfolios.

Our audit process for microfinance loans includes centre and branch visits, in course of centre audits, disbursement audits, branch audits and delinquency verification. For Loans against Gold, we undertake gold inventory verification and tallying, checks of electronic and physical security devices, and have set in place risk-based alerts based on specified criteria. We have clearly delineated internal checklists providing audit check points for each of these structures, to ensure thorough checks and balances. Recognizing the higher risk inherent in our Loan against Gold operations based on physical handling of gold, our inspection audit and security audit take place every 45 days, document audit takes place every 90 days and packet verification takes place every 120 days. All microfinance loan branches are audited at least once every month and reports are sent to the respective branch heads for necessary action.

Risk Management

Risk management is integral to our business and as a lending institution, we face financial and non-financial risks. We have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. We conduct regular training of our staff members with respect to risk related matters, as part of our risk management process.

Our internal audit function uses data analytics and on-ground fact checking to create an extra level of oversight and control to the key risks of our business. For ease of administration and close scrutiny, we have also segregated our operations into eight zones based on factors such as borrower base, number of branches and AUM distribution. While these regions are managed by the regional heads in order to maintain close control over operations, our centralized independent risk, compliance, internal audit and secretarial functions work in tandem to meet control and corporate governance standards. Our risk management framework is primarily driven by our Board and its subcommittees, the Risk Management Committee, the ALCO, and is overseen by our full-time Chief Risk Officer, who is responsible for establishing standards for risk assessment and testing, monitoring and performing testing of the risk controls, consolidating overall risk testing results and escalating any issues to senior management and/ or the Risk Management Committee. Our risk management structure is set forth below:

The risk we face in our businesses are market risk, interest rate risk, credit risk, liquidity risk, liquidity risk, operational risk, IT risk, reputation risk, cash management risk, collateral risk and legal risk, among others.

We have policies in place to address these risks, which are reviewed annually by senior management and approved by the Board of Directors. We have identified the following as critical risk areas:

Credit Risk

Credit risk is the risk of financial loss to our Company if a borrower or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loan receivables from borrowers. Our business of providing microfinance loans to women borrowers for income generating activities requires a high level of credit risk management. We seek to ensure efficient and uniform appraisal, disbursement, collection, and delinquency management, by developing streamlined approval and administrative procedures. We have a clearly defined appraisal policy which ensures that borrowers are sanctioned loans only after evaluating household income, obligation, fixed obligations to income ratio, and completing detailed cash flows analysis. We undertake pre-credit review through field checks, credit bureau check and use technology and automation to establish credit worthiness, repayment capacity assessment and cash flows analysis. In addition, we have enables cashless disbursements to limit risk of fraud and ensure end user verification. Our collections process has been similarly digitized, and we use mobile applications and payment services for online collections. We also have message confirmations of collections, and real time status updates for loan status. We have clear delegation of powers in place, with a clear risk rating framework for profiling borrowers.

Concentration Risk

Concentration risk is associated with adverse developments in localized regions, which adversely impacts lending operations in the region. To minimize concentration risks, we follow prudent self-imposed exposure norms in our operations, which aim to limit our AUM exposure in a state to 10% of our total AUM and in each district, to 1% of our total AUM. We also limit our exposure to 5% of the estimated MFI market size within a state, as estimated by our Company, based on publicly available data if our total AUM is more than ₹ 100 million in that state.

Operational Risk

Our Company identifies various operational risks inherent to its business model. These cover risks of a loss resulting from inadequate or failed internal process, people and systems, or from external events. This can manifest in misappropriation, frauds, poor administrative discipline and dissatisfied clients. Key process risks include failure of internal controls inadequate reconciliation or accounting and inadequate recording of data. We have a dedicated operations function whose constant endeavour is to have thorough process guidelines, controlled through system platforms and monitored through dashboards.

We have strict process checks, with weekly performance review meetings. Our compliance mechanism is robust, with systems controls for fraud monitoring and reporting. We have a disaster recovery and business continuity management in place.

Asset Liability Management Risk

Asset liability management risk is the risk that our Company will encounter difficulty in meeting the obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. Our Company has an asset-liability management policy approved by the Board and has constituted an ALCO to oversee the liquidity risk management function. The ALCO meets on a monthly basis, and submits its reports and minutes to the Risk Management Committee for review.

Reputation Risk

We recognize reputational risk as one of the major risks facing the industry and believe that it can be mitigated through responsible lending, maintaining discipline, client engagement and consistently following the fundamentals of microfinance. We have a robust grievance redressal mechanism. We have implemented customer service help lines for our borrowers as part of our comprehensive monitoring processes. Borrower complaints are reviewed, investigated and sought to be resolved within a prescribed time frame depending on the nature of the complaint, and are subsequently reported to the Board of our Company for review and any necessary guidance on our customer service quality. We also carefully calibrate our growth strategy to ensure we meet requirements of our members and also address concerns of various stakeholders. Further, we engage with our borrowers and the communities we serve through financial literacy and awareness programs.

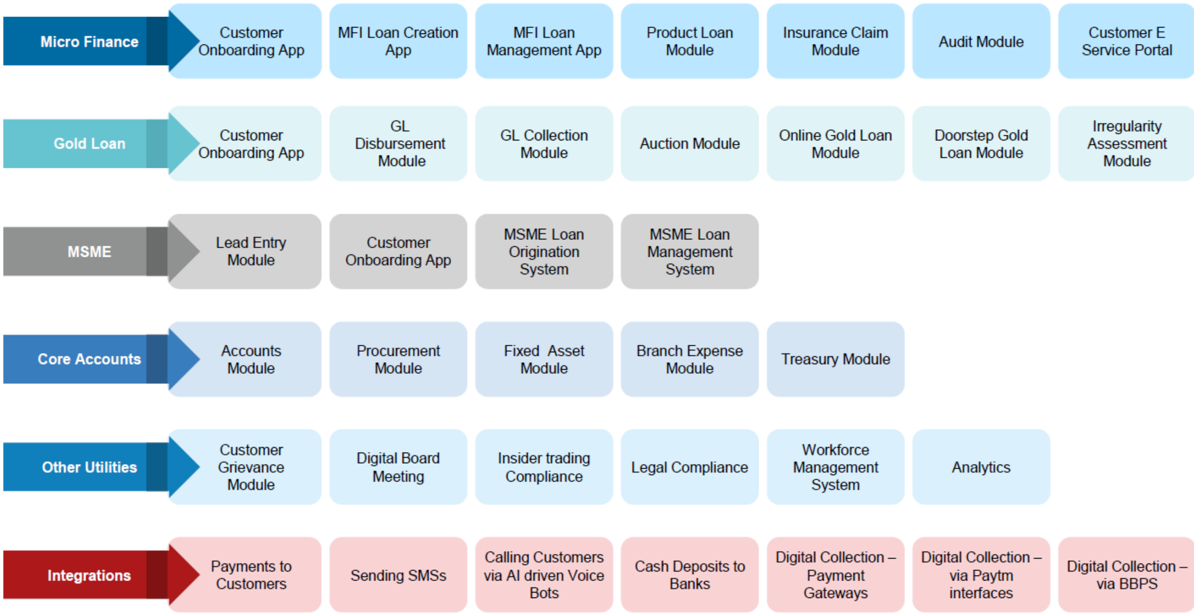
Legal Risk

Our Company has created a separate legal team to manage legal matters relating to our Company. Further, there is a dedicated unit to drive effective legal process for collections, while external counsel is sought for critical agreements, contracts, among others. We also seek to address regulatory risks, which stem from our requirement to comply with evolving laws and other compliance requirements to which we are subject. We monitor compliance with the requirements of regulatory authorities.

Information Technology

We have made significant investments in technology to strengthen our sourcing channels and business processes, from borrower acquisition through the loan's lifecycle management, including appraisal, sanction, disbursement, monitoring and recovery, as follows:

- ISO 27001: 2013 certified processes;
- Applications placed with renowned cloud service provider;
- Approximately 8,000 tablets deployed with FDAs as of June 30, 2023, which provide a clear digital footprint of borrower behaviour;
- Real-time integration with approved third-party vendors for borrower identity validation, including through data verification based on government agencies including Unique Identification Authority of India ("**UIDAI**");
- System based credit decision engine on conversion, eligibility and ticket size, to avoid deviations and human error;
- Digital payment mode with payment gateways, Unified Payment Interface and Bharat Bill Payment System integration to enable cashless collections;
- Self-service mobile application to view account history and transactions through payment gateways in a transparent manner:
- Automated credit shield insurance claim processing;
- Options for online borrower query and grievance registration and response/redressal;
- Conversational AI-based self-triggered phone calls to borrowers for disbursement confirmation;
- Real time SMS notification to borrowers to act as payment reminders and to provide collection confirmation;
- Work force management tool with insights to track activity of field officers;
- Centralized, real-time management information system for digital monitoring, with highly configurable reports;
- Virtual learning and training platform, enabling digital learning across all employee levels;
- e- sign, e-National Automated Clearing House and e- stamping of documents;
- Paperless office and approval system;
- Automated insurance of borrowers;
- Live tested digital onboarding with e-KYC with UIDAI;
- Vendor management for product loans;
- Employee life cycle management including onboarding, biometric daily attendance, among others;
- All operational activities are linked to account general ledger and automated payment processing;
- Asset management covering full asset life cycle;
- Treasury management;
- Automated lease management module;
- Digital platform for board meeting and notes;
- Mobile device management for unified updating of software to tablets;
- All system and peripherals in compliance with Information Systems audit requirements;
- Securities operations centre for tracking intrusion attempts; and
- One time request service ticket system for internal system support.



We have entered into agreements with Manappuram Comptech and Consultants Limited, ("**MACOM**") a subsidiary of our Promoter, MAFIL, for building a technology landscape to support our business and operational requirements. Through this arrangement, MACOM facilitates enhancements in the application software considering business criticality and they have domain expertise for building lending software bundled with core accounts and core human resource management system. Since 2021, we utilise our MFI tech mobility platform developed by MACOM for digitalizing entire MFI business operation from sourcing of new borrowers to disbursement, collection, pre/post maturity closure or enabling repeated loans, which is hosted on a private cloud architecture managed by a global service partner. Our FDAs use tablets with the unified MFI tech mobility application platform to perform their functions. As on June 30, 2023, approximately 8,000 tablets are used by FDAs to manage our business operations, covering more than 0.34 million centres and servicing 3.38 million borrowers, with end point security measures.

Our technology platform consumes more than 20 APIs of SMS providers, credit bureau companies, payment bank collection systems, banks' payment system, KYC validation partners, bank account validation partners, payment gateways, Bharat Bill Payment System for collection. We have received approval from the GoI for enabling Aadhaar-based eKYC system since June 2022 and we have executed AUA/KUA agreement with UIDAI for enabling AUA/KUA Services. We have arrangements with a fintech partner to build e-KYC technology systems by following UIDAI security guidelines.

We also have tie-ups with fintech partners for the following purposes:

- Develop and build AI bases auto triggered interactive borrower calling system, which has been implemented;
- Develop and build Aadhaar-based eKYC system, hosted on a separate cloud to meet UIDAI security guidelines and approved by UIDAI.
- Develop and build Aadhaar based eSign system.
- Develop and build ENACH System to automate MSME collections.

We also have solutions for:

- Digital grievance system, through which a borrower can create grievances and track the same;
- Workforce management system that monitors the movement of FDAs to have desired productivity;
- Automated and digital Board meeting;
- Bringing complete insider compliance portal to automate all the compliance processes.

We use a digital training platform developed by MAFIL that schedules virtual learning and training, as well as assessment methodologies for ensuring continual improvement. We have a loan origination system and loan management system that offers the following automation in business:

<u>Digital Onboarding and Credit Assessment</u>

- Facility to capture significant amounts of borrower data points through micro-services driven agile API stack enabling independent validation from source and do primary digital funnelling process through KYC, gender, age, mobile dedupe check.
- Enabled real-time integration with credit information companies to perform analysis of borrower tradeline reports for quicker decision making in loan processing.

- Deployed tablets with lending applications to the field agents to allow front end team to capture household information like house type, assets, income, expenses, existing EMI details through PD process.
- Check reliability of income and expense data collected by FDAs based on system inbuilt min max logic by undertaking a borrower profiling based on the data collected through PD process.
- We also capture bureau-based EMI obligations and assess the FOIR.

Digital disbursement

- System based control on all three meetings prior to disbursement (CGT, Mini GRT and GRT) to ensure meeting proceedings recorded digitally.
- Geo tagging of center and house of member.
- Account mismatch from penny drop test rejected and name match exceptional handled manually.
- System based control to ensure capture of images of all documents/credentials.
- 100% cashless disbursement based on online approval.

Digital conversion of loans

- Assessment of the eligibility of conversion and eligible loan amount.
- System based control on conversion meeting to ensure meeting proceedings recorded digitally.
- Disbursement process initiated by uploading original seen and verified ("**OSV**")/ signed documents.

Digital Cross selling Options (Product Loans)

- Assessment of the eligibility of cross selling Options (Product Loans) through daily back-end job using bureau checks.
- System based control on conversion meeting to ensure meeting proceedings recorded digitally.
- Disbursement process initiated by uploading OSV/ signed documents.
- Digital interface to update invoice based confirmation.

Digitally Enhanced Credit Limits (Medium Term Loans)

- Eligibility: System will do necessary check before arriving the eligibility on delinquency by bureau check.
- Validation and Approval: On FDA validation, the Branch Manager or Assistant Branch Manager will sanction in the system, conduct loan meetings and capture all meeting particulars.
- Disbursement: Execute loan agreements and upload the same in the system; 100% cashless disbursement to approved bank accounts.

Offline/Digital Collection options

- Facilitates physical collection through FDAs.
- Triggers real time SMS to borrowers on real time basis.
- BBPS integration for facilitating digital collection through payment applications.
- Borrower application that facilitates payment through UPI, wallets, debit cards and net banking.

Digitized insurance claim process

- Insurance claim request process includes marking demise against members/ nominees, uploading KYC and other documents, verification on ground.
- Document verification includes validation of eligibility, documentation and identifying gaps that require further action.
- Claim submission process includes claim sanction and settlement of the loan.

Waivers

- Facilitates auto-notification of client details at centres, with automatic settlement of account through pre-approved waiver.

MIS and Portfolio Analytics platform

We have real-time reports to monitor disbursement, collection to evaluate the productivity of our portfolios. We have implemented a portfolio analytics platform that provides on-the-fly reports, enabling us to make better informed decisions and adopt efficient processes.

Digital Cash Payment System

Facilitates payment to vendors, borrowers, employees through NEFT/RTGS/IMPS through automated integration of banks' payment system. We have already integrated three bank payment system with our technology system.

Gold Loan LOS and LMS System

Internally developed LOS and LMS system offers the following automation in business:

- Digital onboarding, with recording of purity of assessed gold inventory details.
- Facility of both cash and cashless disbursement.
- Enabling options for interest, principal payment with full or partial payment of loans.
- Automated auction module.
- Digital disbursement and collection for borrowers.
- Doorstep loan options.

MSME LOS and LMS System

Internally developed LOS and LMS system offers the following automation in business:

- Lead entry and management.
- Digital onboarding.
- Facility for cashless disbursement.
- Enabling eNACH, eSign and e-stamping facilities.

Core Accounts Module

The core accounts module offers:

- Process mapped centralized general ledger.
- Accounting entry posting and required MISs
- Procurement module
- Fixed asset module
- Treasury operations

HR and Payroll Module

Our HR module offers:

- Employee self-service portal.
- Automation in core HR functions like recruitment, transfer and posting, promotion and employee life cycle management.
- Payroll processing and HR related compliances including final settlement automated processes.

Legal process automation Module

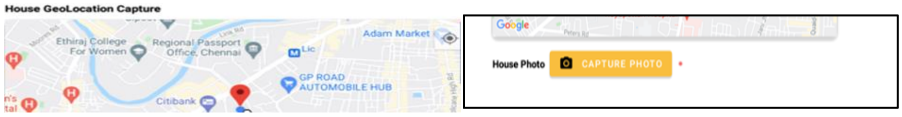
Our legal process module offers:

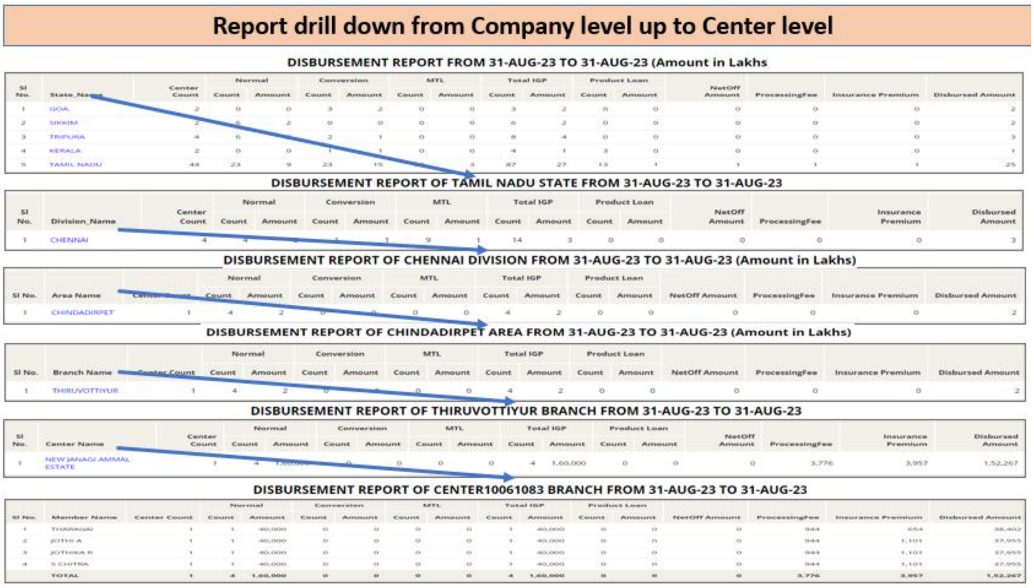
- Automation of legal case entry to its closure.
- End to end process driver MIS for easy handling of legal cases.
- MIS showing gaps based on turnaround defined in the system.

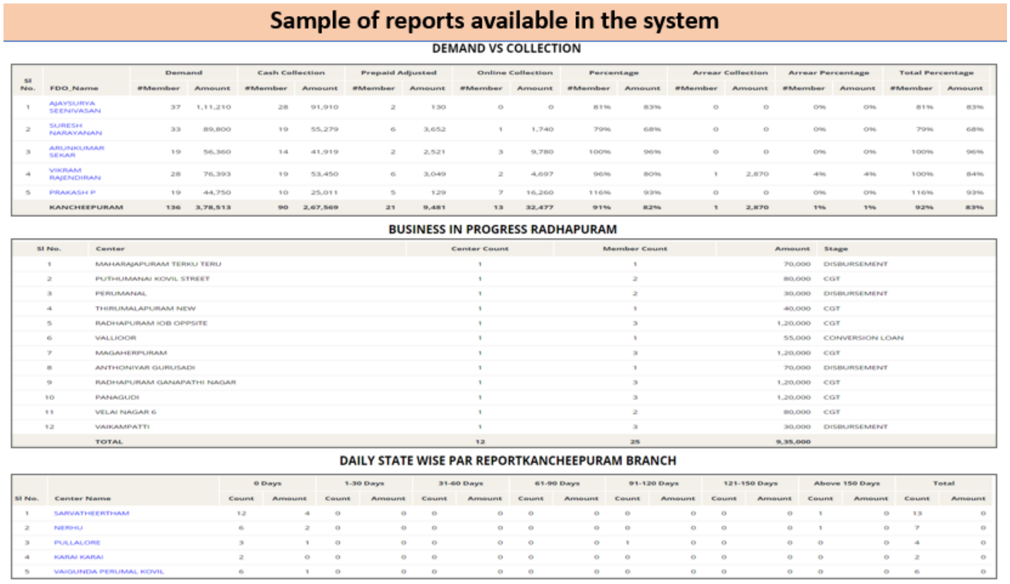
IS and Cyber Security Initiatives

- We have operationalized ISO 27001: 2013 framework, which has been certified by BSI.
- Strengthening end point security on tablets provided to FDAs and other field employees.
- Using antivirus solutions with inbuilt XDR features for end points.
- Annual comprehensive IT audit.
- Annual disaster recovery drills for ensuring business continuity.
- Implemented advanced threat prevention/ data loss prevention in email solution.
- Documented business continuity plan for all critical departments with respect to people, place, technology and vital records.

Set forth below are certain extracts from our module, demonstrating the granularity of the detail we are able to capture and update:







Compliance with NBFC-ND-SI Master Directions

Our Company has been classified as a systemically important, non-deposit taking NBFC, which requires us to comply with the NBFC-ND-SI Master Directions. Set forth below are details in relation to the current status of our compliance with the NBFC-ND-SI Master Directions:

Criteria	NBFC-ND-SI Master Directions/ RBI (Regulatory Framework for Microfinance Loans) Directions, 2022/ Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions	Compliance Status
Loan Portfolio – Qualifying Assets	At least 75% of total assets to be in the nature of "qualifying assets."	We comply with this norm. As of June 30, 2023, "qualifying assets" comprised 91.06% of our net assets.
Household Income(1)	Total annual household income of the borrower to be upto ₹ 300,000	We comply with this norm in relation to our microfinance loan products.
Policy on maximum repayment outflows from account of the borrower	We are required to have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income	We have a board-approved policy to this effect and comply with this norm
Indebtedness of Borrower	FOIR (Fixed Obligation to Income Ratio)(2) of 50%	We comply with this norm in relation to our microfinance loan products

Criteria	NBFC-ND-SI Master Directions/ RBI (Regulatory Framework for Microfinance Loans) Directions, 2022/ Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions	Compliance Status
Collateral	Loan to be extended without collateral	We comply with this norm in relation to our microfinance loan products.
Mode of Repayment	NBFC-MFI to have a board-approved policy to provide the flexibility of repayment periodicity (i.e. weekly, fortnightly or monthly) on the microfinance loans as per the borrower's requirement	We have a board-approved policy to this effect and comply with this norm.
Disclosure of pricing related information	A standardized simplified fact sheet to be shared to all customers which includes, among other things, working of effective annualized interest rate and other pricing related information to all borrowers	We comply with this norm
Insurance Premium	The actual cost of insurance for group, livestock, life and health of borrower and spouse can be recovered. However, administrative charges can only be recovered as per the applicable guidelines issued by the IRDA	We comply with this norm
Security Deposit	No security deposit or margin should be taken from the borrower	We comply with this norm in relation to our microfinance loan products.
Asset Classification	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; Asset for which interest or principal payment has remained overdue for more than 90 days to be classified as an NPA. In this regard: (i) "Special mention accounts 0" means the accounts where the principal or interest payment is overdue for less than 31 days; (ii) "Special mention accounts 1" means the accounts where the principal or interest payment is overdue between 31 to 60 days; "Special mention accounts 2" means the accounts where the principal or interest payment is overdue between 61 to 90 days	We comply with this norm
Loan Provisioning	Loan provision for non-performing assets related to microfinance loans of NBFC-MFIs shall not be less than the higher of: (i) 1% of the outstanding loan portfolio; (ii) 50% of the aggregate loan instalments overdue for more than 90 days and less than 180 days; or (iii) 100% of the aggregate loan instalments overdue for 180 days or more	We comply with this norm

Notes:

(1) 'Household' refers to an individual family unit (i.e. husband, wife and their unmarried children).

(2) FOIR means the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

For further information on the NBFC-ND-SI Master Directions, see "*Key Regulations and Policies*" on page 221.

Capital Adequacy Ratios

Under the Master Directions, we are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital, which shall not be less than 15.00% of our aggregate risk weighted assets on-balance sheet. Our CRAR was 22.93%, 20.24%, 20.03%, 19.26% and 23.12%, our CRAR – Tier I was 19.24%, 15.84%, 15.58%, 15.40% and 17.84% and our CRAR – Tier II was 3.68%, 4.40%,4.45%, 3.86% and 5.27% as of March 31, 2021, 2022 and 2023 and as of June 30, 2022 and 2023, respectively, which was computed in accordance with the extant master direction and prudential norms issued by RBI as applicable to an NBFC-MFI.

Credit Ratings and Gradings

Set forth below are details of our credit ratings and gradings obtained:

Instrument	Rating			
	As of March 31,			As of June 30, 2023
	2021	2022	2023	
Long term bank facilities	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Long term NCD	CRISIL AA-/ Stable, BWR AA-/ Stable, CARE A+ Stable	CRISIL AA-/ Stable, BWR AA-/ Stable, CARE A+ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Long term subordinated debt	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable	CRISIL AA-/ Stable
Commercial paper	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA-r/ Stable	CRISIL PPMLD AA-r/ Stable	CRISIL PPMLD AA-/ Stable	CRISIL PPMLD AA-/ Stable
MFI Grading	CARE MF1	CARE MF1	CARE MF1	CARE MF1

Instrument	Rating			
	As of March 31,			As of June 30, 2023
	2021	2022	2023	
COCA Report	C1 - SMERA	M1C1 - SMERA	M1C1 - SMERA	M1C1 - SMERA

For further information, see "*Risk Factors – Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.*" on page 45.

Environmental, Social and Governance

We have ESG focused-operations, as demonstrated through the following:

Environment: We seek to reduce our carbon footprint through financing carbon negative products such as solar lanterns. Further, we have digitized our loan processing and life cycle to reduce the use of paper.

Social: As of June 30, 2023, we have served over 3.20 million households by providing access to income generation program loans. We offer a wide portfolio of financial products to help improve the living standard of our borrowers.

We are focused on women, and those from rural areas in particular. As of June 30, 2023, 61.46% of our borrowers were from non-urban areas. 100% of our borrowers as of June 30, 2023 were women, with household income of less than ₹ 300,000 per annum. In addition, our Corporate Social Responsibility Initiatives are set forth below.

Governance: Our Board of Directors comprises 13 directors, of whom eight are independent directors. Our Independent Directors chair Board-level committees such as our Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders' Relationship Committee.

Corporate Social Responsibility

We have adopted a CSR policy in compliance with the Companies Act. Our Company, through CSR activities, strives to make meaningful interventions in society to bring about positive change, by imparting skill development training, quality education to children, generating livelihoods, providing preventive healthcare, disaster relief aid, and through hunger eradication.

Among our key CSR initiatives are the following:

- Sayujyam Project in Kerala, which is a rural development project in which houses are being reconstructed for underprivileged families.
- Contribution to the development of the Manappuram Civil Service Academy;
- Aiding flood relief efforts in Assam and Kerala; and
- Distribution of electric wheelchairs for individuals with muscular dystrophy and spina muscular dystrophy.

In Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, our CSR expenses were ₹ 34.45 million, ₹ 5.16 million, ₹ 37.75 million, ₹ 3.59 million and ₹ 16.31 million, respectively, including unspent amounts from previous years expended in the current period. The cumulative unspent amount for Fiscal 2021, 2022, 2023 and in the three months ended June 30, 2022 and June 30, 2023, our CSR expenses were nil, ₹ 31.39 million, ₹ 17.60 million, ₹ 20.54 million and ₹ 25.45 million, respectively. For further information, see "*Risk Factors – We have not incurred certain allocated portions of our profits towards CSR, as required under the Companies Act, 2013. The unspent amounts have been transferred to the CSR unspent account and are required to be used for CSR purposes within three Fiscals from the date of transfer. Failure to do so may subject us to penalties, and have an adverse effect on our reputation, financial condition, cash flows and results of operations*" on page 50.

Awards and Accreditations

Set forth below are certain awards and accreditations that we have received in recent years:

Calendar Year	Award
2017	• Awarded 'Sun King™ Excellence Award' for outstanding performance during FY 2016-2017
2018	• Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Mumbai
	• Awarded 'Excellence Award' at the Mine India 2018, Bengaluru
2019	• Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Mumbai
	• Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at New Delhi
	• Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Bengaluru

	• Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Chennai

Competition

We face our most significant organized competition from other MFIs, banks and state-sponsored social programs in India. Small finance banks have increasingly emerged as another source of competition. In addition, many of our potential members in the lower income segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, especially moneylenders, landlords, local shopkeepers and traders, at much higher rates.

MFIs can largely be classified into two types: for-profit organizations and not-for-profit organizations. Organizations under a host of different legal forms may be covered under the MFI model, including trusts, societies, co-operatives, non-profit NBFCs registered under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013, and for-profit MFIs registered with the RBI as NBFCs. Further, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs.

Banks also indirectly participate in microfinance by making loans and providing other sources of funding (such as securitization, assignment, loans under business correspondent mechanism) to MFIs. In addition, some commercial banks are beginning to directly compete with for-profit MFIs for lower income segment borrowers in certain geographies. Further, many MFIs have been granted in-principle small finance bank licenses. For further details, see "*Industry Overview*" on page 124 and "*Risk Factors - Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share*" on page 42.

Employees

As of June 30, 2023, we had 16,034 full-time employees. The following table sets forth a break-down of our employees by function, as of June 30, 2023:

Function	Number of Employees
Sales and Marketing	36
Operations - Microfinance loans	12,534
Operations – Loan against Gold, MSME Loans	2,589
Finance	73
Human Resources	61
Legal and Compliance	30
Audit and Risk Management	524
Collections	11
Customer Grievance	6
Technology	107
Others	63
Total	**16,034**

We believe dedicated employees are a key determinant of an organization's success. To that end, we endeavour to motivate and retain our employees by focusing on their growth and career advancement. We have a rigorous selection process for all levels of employees, and endeavor to verify the background of prospective employees. We then focus on the career progression of these employees within our organization, and prioritize their elevation over bringing in employees from other organizations laterally. All field employees start from the basic level and progress within our Company through a defined promotion and appraisal program. We believe this enables us to motive our employees towards productivity and longer associations with us, which benefits us since these employees also have a sound understanding of the ethos of our organization. We believe that our compensation and benefit packages are competitive with other companies in the microfinance industry. The compensation of our personnel is linked to both qualitative and quantitative aspects of performance. Our goal-oriented culture and incentive programs have contributed to developing a motivated workforce that is focused on building relationships with our borrowers and partners by delivering personalized customer service, growing profitability and striving for operational efficiencies.

There is an employee review mechanism which helps to improve productivity and identify areas which need further support. There is a performance-oriented incentive structure based on employees' reviews and general market conditions. We believe that we have a good working relationship with our employees and we have not experienced any significant employee disputes.

Weightage is given to hire loan officers from local areas for recruitment at entry level positions. They are then trained in-house so that they have a comprehensive understanding of the local areas in which they are assigned. The rest of the field level positions are filled by job rotations, transfers and promotions. We believe this creates additional employment opportunities in the rural villages in which we operate in an impactful way. We provide comprehensive in-person and online training for new employees which covers various aspects of our business operations including, among others, our policies and processes, the overall microfinance sector and its regulatory framework, as well as soft skills such as borrower engagement and people management.

We strive to provide e-learning content in an engaging manner to our employees. MADU is a platform run by MAFIL and provides e-learning interactive content. Our Company has entered into an agreement dated August 13, 2021 with MAFIL, pursuant to which MAFIL will provide consulting and training services, comprising content development e-learning, virtual classroom, content development products and products manual, leadership management development program, higher education, and utilization of training infrastructure, to the employees of our Company. The effective date for the commencement of this agreement is April 1, 2021 and it will remain in effect unless terminated in accordance with the provisions of this agreement. Our employees are able to access MADU resources, including the Digital Library integrated within MADU, comprising a wide collection of books and study materials, online video tutorials and interactive sessions. We provide these and other opportunities for higher education and advancement. This helps employees in upskilling, and taking up higher roles and responsibilities in our Company.

Insurance

Our Company has obtained insurance policies to cover our assets against losses from fire, burglary, risks to our property and against third party liabilities. Additionally, we maintain a group term insurance policy. Our Company is also covered for directors' and officers' liability insurance.

For microfinance loans, we have an all risk policy to cover eventualities like as fidelity, cash in transit, disbursement collection fraud. For the Loan against Gold business, we have a similar all risk policy.

For further information, see "*Risk Factors - 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 flow and financial condition*" on page 44.

Intellectual Property

As of the date of this Draft Red Herring Prospectus, we have applied for registration of trademark for the word "Asirvad Micro Finance Limited" in our name and logo with the Trade Marks Registry of India under Class 36 for financial and monetary services. For further information, see "*Government and Other Approvals – Intellectual Property*" on page 432. Also see, "*Risk Factors –As of the date of this Draft Red Herring Prospectus, our application for trademark of our name and logo remains pending. We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims*" on page 46.

Property

Our Registered Office and Corporate Office are located at No. 9, Club House Road, Anna Salai, Chennai 600002, Tamil Nadu, India and 2nd Floor, W - 4/ 638 A, Manappuram House, P.O. Valapad, Thrissur 680 567, Kerala, India, respectively. We have leased the building where our Registered Office and our Corporate Office are located. The lease deed for our Registered Office and for our Corporate Office are valid till April 22, 2028 and May 31, 2026, respectively. In addition, as on June 30, 2023, we have leased 1,702 properties across India, which include our branches. The typical period for which leases are generally entered into by our Company for its branches ranges from 12 months to approximately 15 years. For further information, see "*Risk Factors—We do not own all our branch offices, including our Registered Office and our Corporate Office. Any termination or failure by us to renew the lease and license agreements in a favorable and timely manner, or at all, could adversely affect our business, cash flows and results of operations.*" on page 48 of this Draft Red Herring Prospectus.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain sector-specific and relevant laws, regulations, and policies in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be treated as a substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law in India, which are subject to change or modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.

Pursuant to a certificate of registration issued by the RBI on December 14, 2007 our Company was registered as a NBFC and was granted the NBFC-MFI status by the RBI with effect from October 4, 2013.

For details of material regulatory approvals obtained by us, see "*Government and Other Approvals*" beginning on page 431.

1. Key regulations applicable to our Company

The Reserve Bank of India Act, 1934 ("RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising NBFCs by virtue of powers vested in Chapter IIIB of the RBI Act. The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may, with the previous approval of the Central Government, and by notification in the Official Gazette, specify.

A company would be categorized as an NBFC if it has net owned fund of ₹2,500,000 or such other amount, not exceeding ₹1,000 million, as the RBI may, by notification in the official gazette, specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a non-banking financial institution.

Pursuant to section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared by such company. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

2. Key regulations applicable to all NBFCs (including an NBFC-MFI)

Based on the type of liabilities incurred, NBFCs are categorized into, deposit accepting NBFCs ("**NBFCs-D**"), and non-deposit taking NBFCs ("**NBFCs–ND**"). Further, NBFCs-ND are categorised into systemically important and other non-deposit taking NBFCs, based on certain quantitative thresholds and the kind of activity they conduct. Additionally, based on the size, activity, and perceived riskiness, NBFCs are also categorized into, NBFC - Base Layer ("**NBFC-BL**"), NBFC - Middle Layer ("**NBFC-ML**"), NBFC - Upper Layer ("**NBFC-UL**"), and NBFC - Top Layer ("**NBFC-TL**").

Within this broad categorization the different types of NBFCs are (a) asset finance companies, (b) investment companies, (c) loan companies, (d) infrastructure finance companies, (e) systemically important core investment companies, (f) infrastructure debt funds, (g) NBFC - micro finance institutions, (h) NBFC - factors, (i) mortgage guarantee companies, (j) NBFC - non-operative financial holding companies, and (k) NBFC – housing finance companies. Our Company is a systemically important non-deposit accepting NBFC and has been classified as a NBFC - Middle Layer, in terms of the guidelines issued by the RBI.

Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended (the "NBFC-ND-SI Directions")

The RBI had issued the master directions dated September 1, 2016, as amended, which apply to NBFCs who are systemically important NBFCs. These directions apply to the following categories of NBFCs ("**Applicable NBFCs**"):

(i) Systemically Important Non-Deposit taking NBFC ("**NBFC-ND-SI**") registered with the RBI under the provisions of RBI Act;
(ii) deposit taking NBFC registered with the RBI under the provisions of the RBI Act;
(iii) NBFC - factor (as defined in the NBFC-ND-SI Directions) and registered under section 3 of the Factoring Regulation Act, 2011, as amended, having an asset size of ₹5,000 million and above;
(iv) every infrastructure debt fund NBFC registered with the RBI under the provisions of the RBI Act;
(v) every NBFC - Micro Finance Institutions ("**NBFC-MFIs**") registered with the RBI under the provisions of the RBI Act and having an asset size of ₹5,000 million and above; and
(vi) every NBFC - Infrastructure Finance Company (as defined in the NBFC-ND-SI Directions) registered with the RBI under the provisions of the RBI Act and having an asset size of ₹5,000 million and above.

An NBFC-MFI means a non-deposit taking NBFC (other than a company formed and registered under section 25 of the Companies Act, 1956) that fulfils the following conditions:

(i) a minimum net owned fund of ₹50 million (for NBFC-MFIs registered in North Eastern regions of India, the minimum net owned fund requirement shall stand at ₹20 million); and,
(ii) not less than 75% of its total assets are in the nature of "microfinance loans" as defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022.

Pursuant to the Circular dated October 22, 2021 on SBR Framework (defined hereinafter), the RBI has notified that the NBFC-MFIs shall be subject to a minimum net owned fund requirement of ₹100 million from October 01, 2022. Existing MFIs holding a certificate of registration as on October 22, 2021 issued by the RBI and having net owned fund of less than ₹100 million are required to achieve the net owned fund of ₹100 million by March 31, 2027 in accordance with the following glide path:

NBFCs	By March 31, 2025	By March 31, 2027
NBFC-MFI	₹70 million	₹100 million
NBFC-MFI in North Eastern Region of the country	₹50 million	₹100 million

NBFC-ND-SI means an NBFC not accepting or holding public deposits and having total assets of ₹5,000 million and above as shown in the last audited balance sheet.

Corporate Governance

Constitution of committees: All Applicable NBFCs are required to constitute the following committees:

(i) *Audit Committee*: NBFCs are 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 is the audit committee for the purposes of the NBFC-ND-SI Directions as well. The Audit Committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs;
(ii) *Nomination Committee*: NBFCs are required to constitute a nomination committee to ensure 'fit and proper' status of proposed or existing directors, having the same powers and functions as the nomination and remuneration committee required to be constituted under section 178(5) the Companies Act and regulation 20 of the SEBI Listing Regulations;
(iii) *Risk Management Committee*: NBFCs are required to constitute a risk management committee to manage the integrated risk; and
(iv) *Asset Liability Management Committee*: NBFCs are required to constitute an asset liability management committee consisting of the NBFC's top management. The asset liability management committee shall be responsible for ensuring adherence to the risk tolerance/ limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The asset liability management committee is required to be headed by the chief executive officer/managing director or the executive director of such NBFC.

Fit and proper criteria: Applicable NBFCs are required to (a) maintain a policy approved by the board of directors for the approval 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 NBFC-ND-SI Directions; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the NBFC-ND-SI Directions; (c) obtain a deed of covenant signed by directors, in the format prescribed under the NBFC-ND-SI 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.

Disclosures and Transparency: Applicable NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by the board 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.
(ii) conformity with corporate governance standards including composition of committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions etc.

Applicable NBFCs are required to *inter alia* disclose the following in their annual financial statements, with effect from March 31, 2015:

(i) registration/ licence/ authorization obtained from other financial sector regulators;
(ii) ratings assigned by credit rating agencies and migration of ratings during the year;
(iii) penalties, if any, levied by any regulator;

(iv) information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
(v) asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the NBFC-ND-SI Directions.

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

Applicable NBFCs are required to obtain prior written permission of the 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 buyback of shares or reduction in capital where it has approval of a competent court but it must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the Applicable 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:

Capital Adequacy: All NBFC-MFIs shall maintain capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregated risk weighted assets. The total of Tier II Capital at any point of time, shall not exceed 100% of Tier I capital.

Liquidity Risk Management Framework and Liquidity Coverage Ratio

Liquidity Risk Management Framework

Applicable non-deposit taking NBFCs are required to adhere to the liquidity risk management guidelines prescribed under the NBFC-ND-SI Directions. The guidelines, inter alia, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework which ensures that the NBFC maintains sufficient liquidity. Such framework shall detail 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, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections; etc.

Liquidity Coverage Ratio

All non-deposit taking systemically important 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%

All non-deposit taking NBFCs with asset size of ₹50 billion and above but less than ₹100 billion are required to also maintain the required level of liquidity coverage ratio in accordance with the timeline given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	30%	50%	60%	85%	100%

Asset Classification and Provisioning Norms

All NBFC-MFIs shall adopt the following norms:

(i) A "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; and
(ii) A "non-performing asset" means an asset for which interest or principal payment has remained overdue for a period of 90 days or more.

For non-performing assets related to microfinance loans of NBFC MFIs, meeting, provisioning norms are set forth below:

(i) the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of (a) 1% of the outstanding loan portfolio; or (b) 50% of the aggregate loan instalments overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments overdue for 180 days or more.
(ii) if the advance covered by credit risk guarantee fund trust for low-income housing guarantee becomes non-performing, no provision need be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion shall be provided for as per provisioning norms mentioned in the NBFC-ND-SI Directions.

NBFC-MFIs are also required to comply with other asset classification and provisioning norms applicable to other Applicable NBFCs to the extent such norms are not contradictory to the norms disclosed hereinabove.

Standard Asset Provisioning

All Applicable NBFCs are required to make provisions for standard assets at 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 Applicable NBFCs.

Balance Sheet Disclosures

(i) Applicable NBFCs are required to separately disclose in their balance sheets the provisions made, as prescribed under the NBFC-ND-SI Directions, without netting them from income or against the value of assets.
(ii) The provisions are to be distinctly indicated under separate heads of account as (a) provisions for bad and doubtful debts; and (b) provisions for depreciation in investments.
(iii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the Applicable NBFC.
(iv) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.
(v) Additionally, Applicable NBFCs are required to disclose: (a) Capital to risk assets ratio; (b) exposure to real estate sector, both direct and indirect; and (c) maturity pattern of assets and liabilities.

Ensuring compliance with conditionalities

All NBFC-MFIs are required to become member of at least one self-regulatory organization ("**SRO**") which is recognized by the RBI and will also have to comply with the Code of Conduct prescribed by the SRO. The responsibility for compliance to all regulations prescribed for MFIs lies primarily with the NBFC-MFIs themselves. The industry associations/ SROs also play a key role in ensuring compliance with the regulatory framework. In addition, banks' lending to NBFC-MFIs also ensure that systems, practices, and lending policies in NBFC-MFIs are aligned to the regulatory framework.

Regulation of excessive interest charged by NBFCs

(i) The board of directors of each Applicable 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 and 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 Applicable 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 the 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-ND-SI Directions.

Fair Practices Code

The NBFC-ND-SI Directions read with Microfinance Loans Directions (defined hereinafter) provide that, all Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the NBFC-ND-SI Directions. The NBFC-ND-SI 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; and disbursement of loans and changes in terms and conditions of loans. The NBFC-ND-SI 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-ND-SI 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.

Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, dated March 14, 2022 (the "Microfinance Loans Directions")

The RBI issued the Microfinance Loans Directions in order to provide a uniform lending framework for all entities engaged in microfinance lending. The Microfinance Loans Directions come into effect from April 01, 2022, subject to certain exceptions as provided under the Microfinance Loans Directions.

The Microfinance Loans Directions are applicable to the following entities ("**REs**"):

(i) All commercial banks (including small finance banks, local area banks, and regional rural banks) excluding payment banks;
(ii) All primary (urban) co-operative banks /state co-operative banks/district central co-operative banks; and
(iii) All non-banking financial companies (including microfinance institutions and housing finance companies).

Definition of Microfinance Loans

The directions define microfinance loan as a collateral-free loan given to a household having annual household income up to ₹300,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children. Further, all collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual income up to ₹300,000, shall be considered as microfinance loans.

Assessment of Household income

As per the Microfinance Loans Directions, each entity shall put in place a board-approved policy for assessment of household income. Further, it prescribes that the SROs and other associations/ agencies may also develop a common framework based on the indicative methodology and the REs may adopt/ modify this framework suitably as per their requirements with approval of their boards. Each RE shall also mandatorily submit information regarding household income to the Credit Information Companies (CICs).

Limit on Loan Repayment Obligations of a Household

The Microfinance Loans Directions provide that each entity shall have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income, which shall be subject to a limit of maximum 50% of the monthly household income. With respect to existing loans or which outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income exceed the limit of 50%, shall be allowed to mature.

However, in such cases, no new loans shall be provided to these households till the prescribed limit of 50% is complied with.

Each entity shall provide timely and accurate data to the CICs and use the data available with them to ensure compliance with the level of indebtedness. Besides, the RE shall also ascertain the same from other sources such as declaration from the borrowers, their bank account statements and local enquiries

Pricing of Loans

Each entity regulated under the directions is required to have a board approved policy regarding pricing of microfinance loans which shall, inter alia, cover the following: (i) a well-documented interest rate model/ approach for arriving at the all-inclusive interest rate; (ii) delineation of the components of the interest rate such as cost of funds, risk premium and margin, etc. in terms of the quantum of each component based on objective parameters; (iii) the range of spread of each component for a given category of borrowers; and (iv) a ceiling on the interest rate and all other charges applicable to the microfinance loans. Further, each regulated entity is required to disclose such pricing related information to the prospective borrower in a standardized factsheet in the manner provided under the Microfinance Loans Directions and the borrower shall not be charged any amount which is not explicitly mentioned in the factsheet. Interest rates and other charges/ fees on microfinance loans should not be usurious and be subjected to supervisory scrutiny by the RBI. In this regard, the regulated entities shall also prominently display the minimum, maximum and average interest rates charged on microfinance loans in all its offices, in the literature (information booklets/ pamphlets) issued by it and details on its website. This information shall also be included in the supervisory returns and be subjected to supervisory scrutiny.

It is also provided that there shall be no pre-payment penalty on microfinance loans and penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount. Further, any change in interest rate or any other charge shall be informed to the borrower well in advance and these changes shall be effective only prospectively.

Further, as part of their awareness campaigns, SROs/ other industry associations may publish the range of interest rates on microfinance loans charged by their members operating in a district. SROs/ other industry associations may also sensitize their members against charging of usurious interest rates.

Guidelines on Conduct towards Microfinance Borrowers

The directions prescribe certain guidelines for the entities which among other things, include, that putting up a fair practices code by the RE, a standard form of loan agreement for microfinance loan in the language understood by the borrower, issuance of non-credit products with full consent of borrowers, guidelines on training of staff, responsibilities for outsourced activities, guidelines related to recovery of loans and engagement of recovery agents.

Qualifying Asset Criteria

Under the Microfinance Loans Directions, the definition of 'qualifying assets' of NBFC-MFIs has now been aligned with the definition of 'microfinance loans' given above. The minimum requirement of microfinance loans for NBFC-MFIs is also revised to 75% of the total assets. Further, the maximum limit on microfinance loans for NBFCs other than the NBFC-MFIs has been revised to 25% of the total assets.

Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021

The RBI notification requires the appointment of internal ombudsman by NBFCs fulfilling the following criteria as on the date of the circular: (a) Deposit-taking NBFCs (NBFCs-D) with 10 or more branches. (b) Non-Deposit taking NBFCs (NBFCs-ND) with asset size of ₹50 billion and above and having public customer interface. NBFCs are required to formulate a standard operating procedure approved by its Board and establish a system of auto-escalation of all complaints that are partly or wholly rejected by the NBFC's internal grievance redress mechanism to the internal ombudsman for a final decision. The NBFC shall internally escalate all such complaint within a period of three weeks from the date of receipt of the complaint. Thereafter, the internal ombudsman and the NBFC are required to ensure that the final decision is communicated to the complainant within 30 days from the date of receipt of the complaint by the NBFC. In case any complaint is fully or partly rejected even after examination by the internal ombudsman, the NBFC is necessitated to advise to the complainant as part of the reply of the customer's option to approach the RBI Ombudsman for redress (if the complaint falls under the RBI Ombudsman mechanism) along with complete details.

The Reserve Bank – Integrated Ombudsman Scheme, 2021 (the "Ombudsman Scheme") dated November 12, 2021

The RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme for Non-Banking Financial Companies, 2018, the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019, and adoption of 'One Nation One Ombudsman' approach for grievance redressal and has done the same through the Ombudsman Scheme effective from November 12, 2021. This is intended to make the process of redressal of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point.

The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of services rendered by certain categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. Further, the RBI through its notification on Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021, has established the office of Internal Ombudsman for NBFCs along with its roles and responsibilities.

The Ombudsman Scheme, *inter alia*, establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed by the ombudsman.

Master Direction - Know Your Customer (KYC) Direction, 2016 (updated as on May 4, 2023) as amended ("RBI KYC

Directions")

The RBI had issued the Master Directions Know Your Customer Directions dated February 25, 2016 (amended as on May 10, 2021) requiring regulated entities to follow certain customer identification procedure in accordance with provisions of KYC Directions including video-based customer identification process (V-CIP) while undertaking a transaction. The RBI KYC Directions are applicable to every entity regulated by the RBI specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder shall duly adopt a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. All NBFCs are required to ensure compliance with the KYC policy through specification of who constitutes 'senior management' for the purpose of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of the compliance of KYC and anti-money laundering policies and procedures; concurrent/internal audit system to verify the compliance with KYC and anti-money policies and procedures; and submission of quarterly audit and compliance to the audit committee.

The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by NBFCs, amongst others. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards and ensure compliance with requirements/obligations as per applicable provisions of the Unlawful Activities Prevention ("**UAPA**") Act, 1867. 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.

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 notification dated May 4, 2023, to update the instructions in relation to wire transfers (including (i) information requirements for wire transfers, and (ii) responsibilities of regulated entities effecting wire transfers), and to align the guidelines contained in the RBI KYC Directions with the relevant recommendations by the Financial Action Task Force.

Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, dated September 29, 2016, as amended ("Monitoring of Frauds - Master Directions")

The Monitoring of Frauds - Master Directions is applicable to all deposit taking NBFCs and NBFC-ND-SIs and requires them to put in place a reporting system for recording of frauds. All frauds are required to be reported to the Frauds Monitoring Cell or Regional Offices of the department of Non-Banking Supervision of the RBI in the manner prescribed under Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. Fraud reports are required to be submitted in all cases of fraud of ₹ 1 lakh and above perpetrated through misrepresentation, breach of trust, manipulation of books of account, fraudulent encashment of FDRs, unauthorised handling of securities charged to the applicable 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 Non-Banking 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 NBFCs covered under the Monitoring of Frauds – Master Directions are also required to submit a copy of quarterly reports on frauds outstanding to the regional office of the RBI within 15 days of the end of each quarter to which it relates, in the format prescribed provided under the Monitoring of Frauds - Master Directions.

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-ND-SI as updated on May 2, 2022.

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.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017, as amended ("Outsourcing Directions")

The Outsourcing Directions specify the activities that cannot be outsourced and 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. The terms and conditions governing the contract between the NBFC and the service provider should be in compliance with the Outsourcing Directions. Further, an NBFC intending to outsource any of the permitted activities under the Outsourcing Directions is required to formulate an outsourcing policy which is to be approved by its board of directors.

Guidelines on Risk-based Internal Audit ("RBIA") System for Select NBFCs and Urban Co-operative Banks dated February 3, 2021, as amended (the "RBIA Guidelines")

In terms of the RBIA Guidelines, the non-deposit taking NBFCs with an asset size of ₹ 50 billion and above are required to implement the RBIA framework in accordance with RBIA Guidelines. The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the Applicable NBFCs. Under the RBIA Guidelines, the board of directors of the Applicable NBFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. It is also mandated that the policy be reviewed periodically, and that the internal audit function is not outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of Applicable NBFCs should be conducted at least on an annual basis.

RBI Circular - Declaration of dividends by NBFCs dated June 24, 2021

The circular on Declaration of dividends by NBFC was issued by the RBI in order to infuse transparency and uniformity in practice. The guidelines came into effect for declaration of dividend from the profits of the financial year ending March 31, 2022.

Board Oversight

The guidelines provide that the Board of Directors shall, while considering the proposals for dividend, take into account the following aspects: (a) Supervisory findings of the Reserve Bank (National Housing Bank (NHB) for HFCs) on divergence in classification and provisioning for Non-Performing Assets (NPAs), (b) Qualifications in the Auditors' Report to the financial statements; and (c) Long term growth plans of the NBFC. The Board shall ensure that the total dividend proposed for the financial year does not exceed the ceilings specified in these guidelines.

Eligibility criteria

The guidelines provide that NBFCs must comply with certain minimum criteria to be eligible to declare dividend. The minimum criteria is based on three following parameters:

(i) Capital Adequacy: NBFCs (other than Standalone Primary Dealers) shall have met the applicable regulatory capital requirement for each of the last three financial years including the financial year for which the dividend is proposed, and Standalone Primary Dealers (SPDs) should have maintained a minimum CRAR of 20% for the financial year (all the four quarters) for which dividend is proposed. NBFC-MFIs shall maintain a capital adequacy ratio consisting of Tier I and Tier II Capital which shall not be less than 15 percent of its aggregate risk-weighted assets. The total of Tier II Capital at any point in time, shall not exceed 100 percent of Tier I Capital.
(ii) Net NPA: The net NPA ratio shall be less than 6% in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.
(iii) Other criteria: NBFCs shall comply with the provisions of section 45 IC of the Reserve Bank of India Act, 1934. NBFCs shall also be compliant with the prevailing regulations/guidelines issued by the RBI. The RBI shall not have placed any explicit restrictions on declaration of dividend.

Quantum of Dividend Payable

The circular provides that NBFCs that are eligible to declare dividend may pay dividend on the basis of the Dividend Payout Ratio which is defined as the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the financial year for which the dividend is proposed. The circular provides for maximum dividend payment ratio depending on the type of NBFC.

Scale Based regulation ("SBR")- Revised Regulatory Framework for NBFCs by the RBI, 2021, dated October 22, 2021, as amended ("SBR Framework") read with RBI notification - Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs dated April 11, 2022, as amended

The SBR Framework, which comes into effect on October 01, 2022, reflects the RBI's attempt to premise the regulatory framework for NBFCs on the scale, size, leverage, risk, and complexity of its operations. In this respect, the regulations place the NBFCs are into following four brackets and prescribe a customised regulatory framework for each:

(i) **NBFC-BL**: This category is to consist of (a) non-deposit taking NBFCs below the asset size of ₹ 10 billion and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform ("**NBFC-P2P**"), (ii) NBFC-Account Aggregator ("**NBFC-AA**"), (iii) Non-Operative Financial Holding Company ("**NOFHC**"), and (iv) NBFCs not availing public funds and not having any customer interface. NBFC-BLs shall largely continue to be subject to regulations currently applicable to non-deposit taking NBFCs except the net owned fund requirement, NPA classification, experience of the board, ceiling on IPO funding requirement, capital guidelines, prudential guidelines and governance guidelines more particularly set out in the SBR Framework. NBFC-P2P, NBFC-AA, and NOFHC shall be subject to extant regulations governing them. The SBR Framework also introduces a few changes for better governance of NBFC-BLs viz. requirement for Board policy on loans to directors, senior officers, and relatives; constitution of a Risk Management Committee; and disclosure of types of exposure, related party transactions, loans to Directors/ Senior Officers and customer complaints.

(ii) **NBFC-ML**: This category is to consist of (a) all deposit taking NBFCs, irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 10 billion and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers ("**SPDs**"), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies ("**IDF-NBFCs**"), (iii) Core Investment Companies ("**CICs**"), (iv) Housing Finance Companies ("**HFCs**") and (v) Infrastructure Finance Companies ("**NBFC-IFCs**").

NBFC-MLs shall largely continue to be subject to regulations currently applicable to NBFC-ND-SIs and deposit-taking NBFCs, as well as regulations applicable to NBFC-BLs. Certain measures under the regulatory framework in relation to NBFC-MLs include:

(a) aligning credit concentration norms for NBFCs with those applicable to banks, by merging the currently applicable lending and investment concentration limits into a single exposure limit of 25% for single borrower and 40% for group of borrowers anchored to the NBFC's Tier - I capital;
(b) introducing a requirement for NBFCs to have a policy approved by their respective boards of directors on internal capital adequacy assessment process;
(c) prescribing limit on initial public offer financing of ₹ 10 million per individual;
(d) regulatory restrictions on lending by NBFCs in respect of - (i) granting loans and advances to directors, their relatives and to entities where directors or their relatives have major shareholding, (ii) granting loans and advances to senior officers of the NBFC, and (iii) disbursements in relation to loan proposal involving real estate shall be made only after the borrower has obtained requisite clearances from the government authorities;
(e) detailed disclosures of certain items in annual financial statements;

(f) limits on exposure to commercial real estate and capital market sector; and
(g) mandatory requirement for appointment of a functionally independent chief compliance officer and independent director.

(iii) **NBFC-UL**: This category to consist of only those NBFCs which are specifically identified as systemically significant among NBFCs, based on specified parameters. The top 10 NBFCs by asset size would be included in this layer, and the applicable threshold for classification would be determined pursuant to parametric analysis. NBFC-ULs would be subject to regulations applicable to NBFC-MLs as well certain additional capital, and governance requirements more particularly set out in the SBR Framework.

(iv) **NBFC-TL**: This category is to consist of NBFCs judged to be extreme in supervisory risk perception by the RBI. NBFCs in this layer will be subject to higher capital charge, including enhanced and more intensive supervisory engagement with such NBFCs.

The NBFC-UL and NBFC-ML shall have an independent Compliance Function and a Chief Compliance Officer (CCO) latest by April 1, 2023, and October 1, 2023, respectively. The Board/Audit Committee (Board committee) shall ensure that an appropriate Compliance Policy is put in place and implemented. The Senior Management shall carry out an exercise, at least once a year, to identify and assess the major compliance risk facing the NBFC and formulate plans to manage it.

Implementation of 'Core Financial Services Solution' (CFSS) by Non-Banking Financial Companies (NBFCs) dated February 23, 2022, as amended

Pursuant to this circular, an NBFC-ML with 10 and more 'fixed point service delivery units' is mandated to adopt 'Core Financial Services Solution' ("**CFSS**"), akin to the Core Banking Solution adopted by banks on or before September 30, 2025. The CFSS shall provide for (i) seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, (ii) enable integration of NBFCs' functions, (iii) provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting. It also requires the relevant NBFCs to furnish a quarterly progress report on implementation of the Core Financial Services Solution, along with various milestones as approved by the board of directors/committee of the board of directors, to the Senior Supervisory Manager Office of the RBI starting from quarter ending March 31, 2023.

RBI Clarifications - Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances dated November 12, 2021, and February 15, 2022

Specification of due date/repayment date

The exact due dates for repayment of loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements.

Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running processes. Similarly, classification of borrower accounts as Special Mention Account (SMA) as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

NPA classification in case of interest payments

In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

Upgradation of accounts classified as NPAs

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. With regard to upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations, etc., the instructions as specified for such cases shall continue to be applicable.

RBI Circular – Risk Management System – Appointment of Chief Risk Officer (CRO) for NBFCs dated May 16, 2019

With the increasing role of NBFCs in direct credit intermediation, the RBI has mandated that NBFCs in categories - Investment and Credit Companies, Infrastructure Finance Companies, Micro Finance Institutions, Factors and Infrastructure Debt Funds with asset size of more than ₹ 50 billion shall appoint a Chief Risk Officer ("**CRO**") with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management. Detailed instructions regarding the CRO's appointment, tenure, independence, and functioning have been specified and are to be strictly followed by such NBFCs, such as, the CRO should possess adequate professional qualifications and experience in risk management, be appointed for a fixed term with board approval, and have direct reporting lines to the MD & CEO/risk management committee of the board. The CRO will be responsible for identifying, measuring, and mitigating risks. All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals shall be limited to being an advisor. In NBFCs that follow committee approach in credit sanction process for high value proposals, if the CRO is one of the decision makers in the credit sanction process, they shall have voting power and all members shall be individually and severally liable for all the aspects, including risk perspective related to the credit proposal.

Notification on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents, dated June 24, 2014, issued by the RBI

By virtue of its notification dated June 24, 2014, the RBI permitted NBFCs-ND to act as business correspondents of banks, with the aim of accelerating financial inclusion. Prior to this notification, NBFCs could not be appointed as business correspondents. The following conditions need to be satisfied in order for the banks to engage NBFCs-ND as business correspondents:

(i) It should be ensured that there is no comingling of bank funds and those of the NBFC-ND appointed as business correspondent;
(ii) There should be specific contractual arrangement between the bank and the NBFC-ND to ensure that possible conflicts of interest are adequately taken care of; and
(iii) Banks should ensure that the NBFC-ND does not adopt any restrictive practice such as offering savings or remittance functions only to its own customers and the forced bundling of services offered by the NBFC-ND and the bank does not take place.

Statement on Development and Regulatory Policies dated August 6, 2020 ("Statement on DRP Policies")

The Statement on DRP Policies facilitated revival of real sector activities and mitigate the impact on the ultimate borrowers, provided a window under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 ("**Prudential Framework**") to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. Moreover, in order to ameliorate the stress being faced by smaller non-bank finance companies (NBFCs) and micro-finance institutions (MFIs) in obtaining access to liquidity, the RBI decided to provide an additional special liquidity facility (ASLF) of ₹ 250 billion to NABARD for a period of one year at the RBI's policy repo rate for refinancing NBFC-MFIs and other smaller NBFCs of asset size of ₹ 5000 million and less to support agriculture and allied activities and the rural non-farm sector.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI had issued the guidelines which are applicable to all Commercial Banks (excluding RRBs), Primary (Urban) Co-operative Banks (UCBs), and Non-Banking Finance Companies (NBFCs) (including Housing Finance Companies) and non-deposit taking NBFCs with asset size below ₹10 billion have the option to continue with their extant procedure. 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.

Master Directions – Information Technology Framework for the NBFC Sector, dated June 8, 2017 ("IT Framework Directions")

The IT Framework Directions have been notified with the view of benchmarking the information technology/information security framework, business continuity planning, disaster recovery management, information technology ("IT") audit and other processes to best practices for the NBFC sector. Systemically important NBFCs are required to comply with the IT Framework Directions by June 30, 2018. The IT Framework Directions require all systemically important NBFCs to undertake IT governance *inter alia* through formation of an IT strategy committee and formulation of a board approved IT policy. They also require systemically important NBFCs to conduct an information system audit at least once in a year.

In addition to the above IT Framework Directions, we are also required to comply with the Information Technology Act, 2000, as amended, and the rules framed thereunder.

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 ₹5 million and above to: (a) their directors (including the Chairman/ Managing Director) or relatives of directors, (b) any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor, and (c) any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor. The circular also provides guidelines in relation to (i) loans and advances to senior officers of the NBFCs and (ii) loans and advances to the real estate sector. Further, all the NBFC-BLs are required to have a policy approved by board of directors on grant of loans to directors, senior officers, and relatives of directors and to entities where directors or their relatives have major shareholding.

Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022 ("Compensation Guidelines")

Pursuant to the circular dated October 22, 2021 on SBR Framework, the RBI has notified the aforementioned guidelines mandating all NBFCs (except 'Base Layer' and Government owned NBFC's) to formulate and put in place a board-approved compensation policy. The Compensation Guidelines requires the board of the NBFC to constitute a nomination and remuneration committee of all applicable NBFCs which will in turn oversee the framing, review, and implementation of the compensation policy. Moreover, the Compensation Guidelines, outline the principles of compensation for *inter alia* (i) fixed pay; (ii) variable pay; (iii) deferral of variable pay. The guidelines also restrict payment of guaranteed bonus to key managerial personnel and senior management.

Master Direction – Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 dated April 10, 2023 ("IT Outsourcing Directions")

The master direction by the RBI provides guidelines for outsourcing information technology services by financial institutions, including banks, NBFCs, and payment system operators. The directions recognise the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish REs ability to fulfil its obligations to customers nor impede effective supervision by the RBI. As per the IT Outsourcing 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 Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021, as amended ("STA Directions")

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. While complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures.

The RBI, to regulate the issuance of securitisations, introduced the STA Directions to be applicable to all Scheduled Commercial Banks (including Small Finance Banks but excluding Regional Rural Banks), all All-India Term Financial Institution and all NBFCs (including HFCs). These directions enunciated the assets which were eligible for securitisation and provided for skin-in-the-game requirements by way of specifying Minimum Retention Requirement(s) ("**MRR**") for any lender who transfers from its balance sheet a single asset or a pool of assets to a Special Purpose Entity ("**SPE**") as a part of a securitisation transaction and would include other entities of the consolidated group to which the lender belongs.

Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, as amended ("TLE Directions")

Loan transfers are resorted to by lending institutions for multitude of reasons ranging from liquidity management, rebalancing their exposures or strategic sales. A robust secondary market in loans can be an important mechanism for management of credit exposures by lending institutions and also create additional avenues for raising liquidity. It is therefore necessary to lay down a comprehensive, self-contained set of regulatory guidelines governing transfer of loan exposures.

The RBI, in exercise of its powers, introduced the TLE Directions to be applicable to all Commercial Banks, all Primary (Urban) Co-operative Banks/State Co-operative Banks/1 Central Co-operative Banks, all All-India Financial Institutions, all Non-Banking Financial Companies (including HFCs). Under the TLE Directions, the lenders must put in place a comprehensive Board approved policy for transfer and acquisition of loan exposures. This policy must, inter alia, lay down the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for capture, storage and management of data, risk management, periodic Board level oversight, etc. Further, the policy must also ensure independence of functioning and reporting responsibilities of the units and personnel involved in transfer / acquisition of loans from that of personnel involved in originating the loans. All transactions must meet the requirements as detailed in the policy. Furthermore, the TLE Directions also prescribe a minimum holding period for different categories of loans after which they shall become eligible for transfer. The holding period is counted from the date of registration of the underlying security interest with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI): (a) Three months in case of loans with tenor of up to 2 years; (b) Six months in case of loans with tenor of more than 2 years.

Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act (the "Aadhaar Act"), 2016 and the rules and regulations made thereunder, and the rules and regulations made thereunder

The Aadhaar Act aims to provide for, as good governance, efficient, transparent and targeted delivery of subsidies, benefits and services, the expenditure for which is incurred from the Consolidated Fund of India or the Consolidated Fund to the State to individuals residing in India, through assigning of unique identity numbers to such individuals and for matters connected therewith or incidental thereto. The Aadhar Act establishes Unique Identification Authority of India ("**UIDAI**"), which is responsible for authentication and enrolment of individuals under the Aadhaar programme. The Aadhar Act also provides for the appointment of Enrolling Agency, which would be responsible for the enrolment of individuals. The Aadhar Act, to authenticate the Aadhar Numbers, appoints a requesting entity, that would submit the Aadhar Number along with demographic information or biometric information to the Central Identities Data Repository. Lastly, the Aadhar Act also provides for the protection and confidentiality of identity information and authentication records of individuals.

The Digital Personal Data Protection Act, 2023 (the "DPDP Act, 2023")

The Digital Personal Data Protection Act, 2023 was passed by the president of India and comes into effect from August 11, 2023. It provides for the processing of digital personal data in a manner that recognises both the right of individuals to protect their personal data and the need to process such personal data for lawful purposes and for matters connected therewith or incidental thereto. The salient features of the DPDP Act, 2023 are:

(i) The Act will apply to the processing of digital personal data within India where such data is collected online, or collected offline and is digitised. It will also apply to such processing outside India, if such processing is in connection with any activity related to offering of goods or services to individuals, where such individuals include, a child, including the parents or lawful guardian of such a child and a person with disability, including her lawful guardian, acting on her behalf within the territory of India.

(ii) Personal data may be processed only for a lawful purpose upon consent of an individual. Such consent may not be required for specified legitimate uses.

(iii) Data fiduciaries will be obligated to maintain the accuracy of data, keep data secure, and delete data once its purpose has been met.

(iv) The Act grants certain rights to individuals including the right to obtain information, seek correction and erasure, and grievance redressal.

(v) The central government may exempt government agencies from the application of provisions of the Act in the interest of specified grounds such as security of the state, public order, and prevention of offences.

(vi) The central government will establish the Data Protection Board of India to adjudicate on non-compliance with the provisions of the Act.

3. Foreign Exchange Laws

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the RBI thereunder, and the consolidated FDI Policy Circular of 2020 (No. 5(2)/2020) dated October 15, 2020, as amended, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
As per the sector specific guidelines of the Government of India, up to 100% foreign investment is allowed under the automatic route in certain NBFC activities subject to compliance with guidelines under the Foreign Exchange Management Act, 1999 and applicable rules and regulations in this regard.

4. Laws Relating to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

(i) Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
(ii) Integrated Goods and Services Tax Act, 2017;
(iii) Income Tax Act 1961, as amended by the Finance Act in respective years; and
(iv) State-wise legislations in relation to professional tax.

5. Other Regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, FEMA, the RBI guidelines on securitisation of standard assets, labour laws, various tax related legislations and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Asirvad Micro Finance Private Limited' at Chennai, Tamil Nadu as private limited company under the Companies Act, 1956, and a certificate of incorporation was granted by the Assistant Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Island on August 29, 2007. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on August 24, 2016 and consequently, the name of our Company was changed to 'Asirvad Micro Finance Limited' and a fresh certificate of incorporation was issued by the RoC on September 1, 2016. The RBI granted a certificate of registration dated December 14, 2007 bearing no. N-07-00769 to our Company, for registration as an NBFC under Section 45-IA of the Reserve Bank of India Act, 1934. The RBI has granted NBFC-MFI status to our Company with effect from October 4, 2013, pursuant to an endorsement on our certificate of registration dated September 27, 2016.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of Board resolution	Details of the change in address of our registered office	Reason for change
August 1, 2022	Change in registered office with effect from September 1, 2022 from Deshabandhu Plaza, First Floor 47, Whites Road, Chennai, 600 014, Tamil Nadu, India to 9th Floor, No. 9, Club House Road, Anna Salai, Chennai, 600 002, Tamil Nadu, India	For operational efficiency

Main objects of our Company

The main objects in our Memorandum of Association are set forth below:

"(a) Subject to the approval of RBI, to extend credit access to the economically weaker section of the community, empower the weaker and poorer sections of the society and women through initiatives, strengthen the micro credit institutions, alleviate poverty through community based micro financing activities, improve the living conditions of the poor, network with other organisations, create economic opportunities to the weaker section through various income generation programmes.

(b) Subject to the approval of RBI, to faster MICROFINANCE directly through our own channel or through Self Help Groups, Income Generation Projects, Micro Credit, Thrift and Credit Groups, Federations and all other forms of micro finance or the rural, downtrodden, marginalized, weaker, women, poor, less advantaged and all other sections of the community to cater to the credit needs of marginalized community.

(c) to carry on the businesses of other financial services and advancing long term/ short-term loans/ such other credit facilities including but not limited to gold loan, credit to micro, small and medium enterprises etc., to individuals, firms, companies or association of individuals, association of persons by whatever name called and either on securities or on guarantee or to clean without securities.

(d) to carry on the business of authorized money changers, forex dealers, money transfer agents and related services, issue of prepaid instruments, to act as payment gateways, payment channels, to operate white label ATMs, to act as business correspondent to banks and financial institutions, to act distributors of mutual funds, insurance product with or without risk participation and all other financial products and services and to deal with all kinds of business involving marketing of financial products, providing investment advice, business facilitations services, business enablement services, all other services relating to financial inclusion and other permissible activities as may be permitted by Reserve Bank of India or subject to approval by any other regulator as may be prescribed from time to time.

(e) to facilitate all kinds of e-commerce business whether related to financial services or not and provision of all other kinds of related services.

(f) to act as collection agent for Insurance Companies, banks and financial institutions, utility companies and other entities."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association

The following table sets forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/ effective date	Details of the amendments
December 15, 2014	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹200,000,000 (Rupee two hundred million) divided into 15,000,000 Equity Share of ₹10 each and 500,000 preference share of ₹100 each to ₹300,000,000 (Rupees three hundred million) divided into 20,000,000 Equity Shares and 1,000,000 preference share of ₹100 each
February 12, 2015	Clause IIIB of the Memorandum of Association was amended to insert sub-clause 20 with the following: "*To undertake marketing of or to facilitate sale of sustainable, efficient and high quality financial and non-financial products to its customers or others, on behalf of other persons, firms or companies in return for a financial consideration including commission.*"
October 29, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹300,000,000 (Rupees three hundred million) divided into 20,000,000 Equity Shares and 1,000,000 preference share of ₹100 each to ₹400,000,000 (Rupees four hundred million) divided into 30,000,000 Equity Shares and 1,000,000 preference share of ₹100 each
August 24, 2016	Clause I of the Memorandum of Association of our Company was amended to reflect a change in the name of our Company from "Asirvad Micro Finance Private Limited" to "Asirvad Micro Finance Limited"
December 4, 2017	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹400,000,000 (Rupees four hundred million) divided into 30,000,000 Equity Shares and 1,000,000 preference share of ₹100 each to ₹500,000,000 (Rupees five hundred million) divided into 40,000,000 Equity Shares and 1,000,000 preference share of ₹100 each
April 10, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹500,000,000 (Rupees five hundred million) divided into 40,000,000 Equity Shares and 1,000,000 preference share of ₹100 each to ₹700,000,000 (Rupees seven hundred million) divided into 60,000,000 Equity Shares and 1,000,000 preference share of ₹100 each
March 16, 2019	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹700,000,000 (Rupees seven hundred million) divided into 60,000,000 Equity Shares and 1,000,000 preference share of ₹100 each to ₹1,000,000,000 (Rupees one thousand million) divided into 90,000,000 Equity Shares and 1,000,000 preference share of ₹100 each
March 17, 2020	Clause IIIA of the Memorandum of Association was amended to insert sub-clause 3 with the following: *"to carry on the businesses of other financial services and advancing long term/ short-term loans/ such other credit facilities including but not limited to gold loan, credit to micro, small and medium enterprises etc., to individuals, firms, companies or association of individuals, association of persons by whatever name called and either on securities or on guarantee or to clean without securities."* Clause IIIB of the Memorandum of Association was amended to substitute the title of the clause to: "*Matters which are necessary for furtherance of objects specified in Clause III B*". Clause IIIB of the Memorandum of Association was amended to insert sub-clause 20 with the following: "*To invest in and acquire and hold, sell, buy or otherwise deal in shares, debenture stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Government, States, Dominos, Sovereign, Municipalities or public Authorities or bodies and shares, stocks, debentures, debenture stocks, bonds obligations and securities issued and guaranteed by any company, corporation firm or person whether incorporated or established in India or elsewhere*" Clause IIIC of the Memorandum of Association was amended to omit "*Other Objects of the Memorandum of Association (MOA)*"
May 21, 2021	Clause IIIA of the Memorandum of Association was amended to insert sub-clause 4 and 5 with the following: 4. "*to carry on the business of authorized money changers, forex dealers, money transfer agents and related services, issue of prepaid instruments, to act as payment gateways, payment channels, to operate white label ATMs, to act as business correspondent to banks and financial institutions, to act distributors of mutual funds, insurance product with or without risk participation and all other financial products and services and to deal with all kinds of business involving marketing of financial products, providing investment advice, business facilitations services, business enablement services, all other services relating to financial inclusion and other permissible activities as may be permitted by Reserve Bank of India or subject to approval by any other regulator as may be prescribed from time to time."* *5. "to facilitate all kinds of e-commerce business whether related to financial services or not and provision of all other kinds of related services."*
January 10, 2022	Clause IIIA of the Memorandum of Association was amended to insert sub-clause 6 with the following: 6. *"to act as collection agent for Insurance Companies, banks and financial institutions, utility companies and other entities"*

Date of Shareholders' resolution/ effective date	Details of the amendments
August 18, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect the subdivision of preference share capital of our Company from ₹100,000,000 (Rupees one hundred million) divided into 1,000,000 preference share of ₹100 each to 100,000,000 (Rupee one hundred million) divided into 10,000,000 preference share of ₹10 each
August 18, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect the reclassification in authorised share capital of our Company from ₹1,000,000,000 (Rupees one thousand million) divided into 90,000,000 Equity Share of ₹10 each and 10,000,000 preference shares of ₹10 each to ₹1,000,000,000 (Rupees one thousand million) divided into 100,000,000 Equity Shares
August 18, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹1,000,000,000 (Rupees one thousand million) to ₹3,000,000,000 (Rupees three thousand million) divided into 300,000,000 Equity Shares

Major events and milestones our Company

The table below sets forth the key events and milestones in the history of our Company:

Fiscal year	Milestone
2022	Crossed 2.50 million active borrowers
2020	Crossed 2.00 million active borrowers
2020	Crossed 1,000 branches under operation
2020	Crossed ₹50,000 million in AUM
2019	Crossed ₹30,000 million in AUM
2017	Converted to a public limited company and name changed to Asirvad Micro Finance Limited
2015	Company was acquired by MAFIL
2014	RBI granted NBFC-MFI status with effect from October 4, 2013
2008	Company obtained certificate of registration as an NBFC from RBI
2008	Incorporated as Asirvad Micro Finance Private Limited

Awards and accreditations

Details of key awards received by our Company are set out below:

Calendar Year	Name of the award
2019	Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Mumbai
	Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at New Delhi
	Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Bengaluru
	Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Chennai
2018	Awarded 'Excellence Award' at the Microfinance & NBFC Exhibition cum Conference organised by Mine India B2B Info Media at Mumbai
	Awarded 'Excellence Award' at the Mine India 2018, Bengaluru
2017	Awarded 'Sun King™ Excellence Award' for outstanding performance during FY 2016-2017

Time and cost overruns

There have been no time and cost overruns in respect of our business operations.

Defaults or re-scheduling/ restructuring of borrowings

There have been no rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of branches

For details regarding locations of our branches, see "*Our Business*" beginning on page 187.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" beginning on page 187

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, MAFIL is our holding company. For details in relation to MAFIL, see "*Our Promoter and Promoter Group*" and "*Capital Structure*" beginning on pages 260 and 74, respectively.

Our Subsidiaries and Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or joint ventures.

Shareholders' agreements and other agreements

Except as disclosed below, our Company does not have any subsisting shareholders' agreements among our Shareholders vis-a-vis our Company

Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, Nalini Hari, S. Hari, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan, S.V. Krishnamurthy, Hemalathaa K Murthy, Sharadh Krishnamurthy, Janani Krishnamurthy, K. Sethuraman (jointly held with Sushila Sethuraman), Lok Capital LLC, G. Srikanth, S. Gopinath, Tolerance Samuel M. P., Muthukumar, Shylasree Padmanabham, Sabarinathan T., Suthakaran K, Thangappan V, Rajasekaran NRK, Ramesh T, Gunaseelan S, Chellapandi S, Rajendran M, Krishnamoorthy S, Ayyanar K, Muthurmalingam R, Mahesh Kannan K, Rajasekar K, Nethaji K, Lakshmi Narayanan, R Premkumar Thambiraj, Ravikumar N., J Kannan, Santhakumar D, Parthasarathi C., Raghavender Anand, S. Ganesan, S Ragothaman (jointly held with Usha Ragothaman),("Erstwhile Shareholders") and MAFIL("SPA I")

Pursuant to the terms of the SPA I, the Erstwhile Shareholders of the Company agreed to sell an aggregate of 99,198 Equity Share to MAFIL for a consideration aggregating to ₹8.26 million at the time of the transaction.

Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan, S.V. Krishnamurthy, Hemalathaa K. Murthy, Sharadh Krishnamurthy, Janani Krishnamurthy, K. Sethuraman, Sushila Krishnamurthy ("Erstwhile Shareholders") and MAFIL ("SPA II")

Pursuant to the terms of the SPA II, the Erstwhile Shareholders of the Company agreed to sell an aggregate of 3,131,834 Equity Share to MAFIL for a consideration aggregating to ₹260.95 million at the time of the transaction.

Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, MAFIL and Lok Capital LLC ("SPA III")

Pursuant to the terms of the SPA III, Lok Capital LLC agreed to sell an aggregate of 2,605,855 Equity Share to MAFIL for a consideration aggregating to ₹217.12 million at the time of the transaction.

For further details of transfer pursuant to SPA I, SPA II and SPA III, see "*Capital Structure – History of the share capital held by our Promoter - Build-up of the Equity shareholding of our Promoter in our Company*" on page 79.

Share Subscription and Shareholders' agreement dated February 12, 2015 entered into between and amongst our Company, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan and MAFIL ("Parties"), as amended pursuant to deed of amendment dated March 17, 2016 (collectively, the "Share Subscription and Shareholders' Agreement" or "SSSA")

Pursuant to the terms of the SSSA, MAFIL subscribed to the shares of the Company held by erstwhile shareholders aggregating 7,561,126 Equity Share for a consideration aggregating to ₹630.00 million at the time of the transaction. SSSA also set out the inter-se rights between the parties such as call options and put options, among others. Pursuant to agreement dated September 22, 2023 ("**SSSA Termination Agreement**"), the parties to the SSSA have mutually agreed to terminate the SSSA.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoter, or any other employee

None of our Key Managerial Personnel, Senior Management Personnel, Directors, Promoter, or any other employee have not entered into any agreement with any shareholder or any third party with regard to compensation or profit-sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is authorised to have not less than three and not more than 15 directors. As on the date of this Draft Red Herring Prospectus, our Board has 13 Directors comprising of our Managing Director and 12 Non-Executive Directors, including eight Independent Directors. Our Company has two woman Independent Directors.

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

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
1.	**Vazhappully Padmanabhan Nandakumar** **Designation:** Chairman, Non-Executive and Non-Independent Director **Period of Directorship:** Director since February 12, 2015 **Term:** Re-appointed on August 16, 2023 and liable to retire by rotation **Address:** Vazhapully House, Kothakulam Beach Road, Kothakulam, Valappad, Thrissur 680 567, Kerala, India **Occupation:** Business **Date of Birth:** May 18, 1954 **DIN:** 00044512 **Age:** 69 years	*Indian Companies:* • Adlux Medicity and Convention Centre Private Limited; • DT3 Advisory Private Limited; • DTA Advisory Private Limited; • DTB Advisory Private Limited; • Finance Industry Development Council; • Manappuram Agro Farms Limited; • Manappuram Chit Funds Company Private Limited; • Manappuram Chits (India) Limited; • Manappuram Chits (Karnataka) Private Limited; • Manappuram Comptech And Consultants Limited; • Manappuram Construction and Consultants Limited; • MAFIL; • Manappuram Health Care Limited; • Manappuram Home Finance Limited; • Manappuram Insurance Brokers Limited; • Manappuram Jewellers Limited; and • SNST Advisories Private Limited *Foreign Companies:* Nil
2.	**Blangat Narayanan Raveendra Babu** **Designation:** Managing Director **Period of Directorship:** Director since February 12, 2015 **Term:** July 1, 2021 to June 1, 2025 **Address:** Blangat House, Near Kalamuri, Kaipamangalaam, Thrissur 680 681, Kerala, India **Occupation:** Business **Date of Birth:** February 10, 1952 **DIN:** 00043622 **Age:** 71 years	*Indian Companies:* Nil *Foreign Companies:* Nil
3.	**Abhijit Sen** **Designation:** Independent Director **Period of Directorship:** Director since March 17, 2020 **Term:** Five years with effect from August 25, 2020 **Address:** A 92, Grand Paradi, 572 Dadyseth Hill August Kranti Marg, Near Kemps Corner, Mumbai 400 036, Maharashtra, India **Occupation:** Retired bank executive **Date of Birth:** November 17, 1950 **DIN:** 00002593	*Indian Companies:* • Cashpor Micro Credit; • Kalyani Forge Limited; • MAFIL; • Netafim Agricultural Financing Agency Private Limited; • Pramerica Life Insurance Limited; • Tata Investment Corporation Limited; and • Veritas Finance Private Limited *Foreign Companies:* Nil

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
	Age: 72 years	
4.	**Anita Belani** **Designation:** Independent Director **Period of Directorship:** Director since January 13, 2023 **Term:** Three years with effect from January 13, 2023 **Address:** B 6503, Trump Tower, The Lodha Park, Pandurang Budkar Marg, Worli, Mumbai 400 018, Maharashtra, India **Occupation:** Independent director **Date of Birth:** January 19, 1964 **DIN:** 01532511 **Age:** 59 years	*Indian Companies:* • Eternis Fine Chemicals Limited; • Foseco India Limited; • IDFC Financial Holding Company Limited; • IDFC Limited; • Margo Networks Private Limited; • Proconnect Supply Chain Solutions Limited; • Redington Limited; and • Vivriti Capital Limited *Foreign Companies:* Nil
5.	**Desh Raj Dogra** **Designation:** Independent Director **Period of Directorship:** Director since September 9, 2016 **Term:** Five years with effect from September 8, 2021 **Address:** Flat No. 402, Somerset, Hiranandani Gardens, Powai, Mumbai 400 076, Maharashtra, India **Occupation:** Retired **Date of Birth:** September 21, 1954 **DIN:** 00226775 **Age:** 69 years	*Indian Companies:* • Aham Housing Finance Private Limited; • Axiscades Aerospace & Technologies Private Limited; • Axiscades Technologies Limited; • Capri Global Capital Limited; • G R Infraprojects Limited; • IFB Industries Limited; • M Power Micro Finance Private Limited; • S Chand and Company Limited; and • Infomerics Valuation and Rating Private Limited *Foreign Companies:* Nil
6.	**Gautam Rathindranath Saigal** **Designation:** Non-Executive and Non-Independent Director **Period of Directorship:** Director since March 18, 2015 **Term:** Re-appointed on August 25, 2020 and liable to retire by rotation **Address:** 2505, Ashok Towers, C Wing, Dr. Babasaheb Ambedkar Road, Parel, Mumbai 400 012, Maharashtra, India **Occupation:** Business **Date of Birth:** October 20, 1965 **DIN:** 00640229 **Age:** 57 years	*Indian Companies:* • Bonanza Business Services Private Limited; • Manappuram Home Finance Limited; and • ZIM Health Technologies Limited *Foreign Companies:* Nil
7.	**Harshan Kollara Sankarakutty** **Designation:** Independent Director **Period of Directorship:** Director since August 7, 2021 **Term:** Five years with effect from September 8, 2021 **Address:** Flat 16, Cricket Court, 13, Elderberry way, London E66JJ, United Kingdom **Occupation:** Business professional	*Indian Company:* • MAFIL; *Foreign Companies* • Association of UK Payment and Fintech Companies, UK; • Abans Global Ltd, UK; • Best Value Money Exchange Limited, UK; • Fast Encash Money Transfer Services, UK; • Gateway Gardens (Block B) Management Ltd, UK; • Morgan & Harvey Services Ltd, UK; • Rebar Design and Details Ltd, UK;

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
	Date of Birth: November 1, 1951 **DIN:** 01519810 **Age:** 71 years	• Saral Money Ltd, UK; • Value Finance Corporation Limited, UK; and • Value Finance Ltd, UK.
8.	**Pushya Sitaraman** **Designation:** Independent Director **Period of Directorship:** Director since February 2, 2019 **Term:** Five years with effect from February 1, 2022 **Address:** 5, Subbarayar Avenue, Abiramapuram, Teynampet, Chennai, Tamil Nadu – 600018, India **Occupation:** Senior advocate **Date of Birth:** December 23, 1953 **DIN:** 06537196 **Age:** 69 years	*Indian Companies-* • Kohinoor Saw Mills Co Limited; • Mayabandar Doors Limited; • Shiksha Financial Services Indian Private Limited; • Southern Veneers and Woodworks Limited; and • The Western India Plywoods Limited *Foreign Companies:* Nil
9.	**Raja Vaidyanathan Venkataraman Sattanathapuram** **Designation:** Non-Executive and Non-Independent Director **Period of Directorship:** Director since August 29, 2007 **Term:** Re-appointed on September 24, 2022 and liable to retire by rotation **Address:** 7/4, Central Avenue, Kesavaperumalpuram, Raja Annamalaipuram, Chennai 600 028, Tamil Nadu, India **Occupation:** Professional **Date of Birth:** May 2, 1955 **DIN:** 01467098 **Age:** 68 years	*Indian Companies:* • Abirami Consultants and Securities Private Limited; • ACYCS Investments Private Limited; • Aham Housing Finance Private Limited; • Farvision Securities Private Limited; • Media Works Private Limited; and • Proficient Investment and Financial Consultancy Private Limited. *Foreign Companies:* Nil
10.	**Ramanathan Annamalai** **Designation:** Independent Director **Period of Directorship:** Director since March 18, 2015 **Term:** July 31, 2020 to November 30, 2023 **Address:** Plot No. 28, 18th Street, Tansi Nagar, Velachery, Chennai 600 042, Tamil Nadu, India **Occupation:** Service **Date of Birth:** December 25, 1948 **DIN:** 02645247 **Age:** 74 years	*Indian Companies:* • IIFL Samasta Finance Limited; • Kaleidofin Capital Private Limited • Magalir Micro Capital Private Limited; • Mangal Credit and Fincorp Limited; • RGVN (North East) Microfinance Limited; • South India Finvest Private Limited; • Svasti Microfinance Private Limited; and *Foreign Companies:* Nil
11.	**Subrata Kumar Atindra Mitra** **Designation:** Independent Director **Period of Directorship:** Director since March 17, 2020 **Term:** Five years with effect from January 1, 2023 **Address:** 1201/B, Phoenix Tower , Senapati Bapat Marg, Lower Parel, Delisie Road, Mumbai 400 013, Maharashtra, India	*Indian Companies:* • AGS Transact Technologies Limited; • Centrum Broking Limited (CN); • Centrum Capital Limited; • IL&FS Engineering and Construction Company Limited; • IL&FS Transportation Networks Limited; • Inditrade Fincorp Limited; • PPFAS Asset Management Private Limited; and • Roadstar Investment Managers Limited

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
	Occupation: Corporate advisory **Date of Birth:** January 16, 1948 **DIN:** 00029961 **Age:** 75 years	*Foreign Companies:* Nil
12.	**Sumitha Jayasankar** **Designation:** Non-Executive and Non-Independent Director **Period of Directorship:** Director since September 22, 2023 **Term:** With effect from September 22, 2023 and liable to retire by rotation **Address:** Padma Saroj, South Janatha Road, Prasanthi Ladies Hostel (St. Mary's road), Palarivattom, Palarivattom, Ernakulam 682 025, Kerala **Occupation:** Doctor **Date of Birth:** May 30, 1980 **DIN:** 03625120 **Age:** 43 years	*Indian Companies*: MAFIL *Foreign Companies:* Nil
13.	**Thotanchath Balakrishnan** **Designation:** Independent Director **Period of Directorship:** Director since May 15, 2018 **Term:** Five years with effect from May 15, 2023 **Address:** SFS Kings Wood, Flat No. 9-C, Jawahar Nagar, Kowdiar PO, Thiruvananthapuram, Kaudiar, 695 003, Kerala, India **Occupation:** Retired member of Indian Administrative Service **Date of Birth:** October 3, 1951 **DIN:** 00052922 **Age:** 72 years	*Indian Companies:* • Cheraman Financial Services Limited; • Manappuram Home Finance Limited; • Muralya Dairy Products Private Limited; • Southern Veneers and Woodworks Limited; and • The Western India Plywoods Limited *Foreign Companies:* Nil

Brief Biographies of Directors

Vazhappully Padmanabhan Nandakumar is the Chairman and Non-Executive and Non-Independent Director of our Company. He holds a bachelor's and a master's degrees in science from University of Calicut, India. He is currently the managing director and chief executive officer of our Promoter, MAFIL. He is on the board of governors of IIM Kozhikode and has previously served on the board of directors of several companies including Lions Co-ordination Committee of India Association, Aptus Value Housing Finance India Limited, Equitas Holdings Limited and Five Star Business Finance Limited.

Blangat Narayanan Raveendra Babu is the Managing Director of our Company. He holds a master's degree in commerce from University of Calicut, India. He has completed the executive development programme on equity and commodity derivatives by Dun and Bradstreet and the ISMS lead auditor training course. He has previously worked with Blue Marine International, UAE and our Promoter, MAFIL. He has served on the board of directors of several companies including Manappuram Construction and Consultants Limited, Manappuram Jewellers Limited, Manappuram Chits (India) Limited and Manappuram Insurance Brokers Limited.

Abhijit Sen is an Independent Director of our Company. He holds a bachelor's degree in technology with first class honours in electronics and electrical communication engineering from Indian Institute of Technology, Kharagpur, India and a post graduate diploma in management from Indian Institute of Management, Calcutta, India. He has previously worked with Citibank N.A., India as the managing director – chief financial officer and has served on the board of directors of several companies including Citicorp Finance (India) Limited, Citicorp Services India Private Limited, IDFC First Bank Limited, IndiaFirst Life Insurance

Company Limited, WIPRO Technology Services Limited.

Anita Belani is an Independent Director of our Company. She holds a diploma (honours) in personnel management and industrial relations from Xavier Labour Relations Institute, Jamshedpur, India. She has previously served as the chief people officer at Gaja Advisors Private Limited and has served on the board of directors of several companies including Bandhan AMC Limited, SV Edusports Private Limited, BMR Business Solutions Private Limited, and Manpower Group Services India Private Limited.

Desh Raj Dogra is an Independent Director of our Company. He holds a bachelor's degree in science from Himachal Pradesh University, India, a master's degree in business administration from University of Delhi, India and a post graduate diploma in marketing and sales management from Board of Technical Education, Delhi, India. He is a certified associate of the Indian Institute of Bankers. He has previously worked as the managing director and chief executive officer of Credit Analysis and Research Limited and has served on the board of directors of several companies including Axiscades Aerospace & Technologies Private Limited, L&T Financial Consultants Limited, ITI Mutual Fund Trustee Private Limited, and Metropolitan Stock Exchange of India Limited.

Gautam Rathindranath Saigal is a Non-Executive and Non-Independent Director of our Company. He is a qualified chartered accountant. He is the managing partner of Pachira Financial Services LLP. He has previously served as the managing director of AA Indian Development Capital Advisors Private Limited, associate director of India Liasion Office of American International Group, Inc, vice president of 'merchant banking' division of S.S. Kantilal Ishwarlal Securities Private Limited and has also worked with Stewart and Mackertich Investment and Financial Services Limited and Lovelock & Lewes. He is on the board of directors of several companies including Manappuram Home Finance Limited and ZIM Health Technologies Limited and has previously served on the board of directors of several companies including our Promoter, MAFIL, ZIM Laboratories Limited, Seed Infotech Limited, Barflex Polyfilms Private Limited and Numero Uno Clothing Limited.

Harshan Kollara Sankarakutty is an Independent Director of our Company. He holds a bachelor's degree in arts from University of Calicut, India and master of arts degree in economics from University of Bombay, India. He has previously served on the board of directors of several companies including Federal Bank Limited, Fedbank Financial Services Limited, Experian Credit Information Company of Indian Private Limited and Avanti Home Solutions Private Limited.

Pushya Sitaraman is an Independent Director of our Company. She holds a bachelor's degree in law from Madras Law College, India. She is a senior advocate at the Madras High Court. She is on the board of directors of several companies including Shiksha Financial Services India Private Limited, Southern Veneers and Woodworks Limited, Mayabandar Doors Limited and The Western India Plywoods Limited.

Raja Vaidyanathan Venkataraman Sattanathapuram is a Non-Executive and Non-Independent Director of our Company. He holds a bachelor's degree in technology from Indian Institute of Technology, Madras, India and a post-graduate diploma in management from Indian Institute of Technology, Calcutta, India. He is an associate of the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India. He has previously served on the board of directors of several companies including Gradatim I.T. Ventures (India) Private Limited, Voicegear Network Technologies Private Limited, Pronto Franchising Private Limited, Growth Street Venture Partners LLP, and Microplex Private Limited.

Ramanathan Annamalai is an Independent Director of our Company. He holds a master's degree in business administration from University of Madras, India and has completed a three-month post graduate level study programme in 'development banking/training for trainers' from Victoria University of Manchester, United Kingdom. He has previously served as the chief general manager at the National Bank for Agriculture and Rural Development and has previously served on the board of directors of several companies including Vedika Credit Capital Ltd, Five Star Housing Finance Private Limited, Unnati Finserv Private Limited, Hindusthan Microfinance Private Limited, and Adhikar Micro Finance Private Limited.

Subrata Kumar Atindra Mitra is an Independent Director of our Company. He holds a master's degree in science from University of Calcutta, India and a master's degree in management science from Texas Christian University, USA. He has previously worked with the 'merchant banking' division of Standard Chartered Bank, India and as a non-executive member of the credit committee of the FirstRand Bank, India. He was previously associated with the financial services business at the Aditya Birla Group and Bank of India. He has served as the director-in-charge of vocational service avenue of service of the Rotary Club of Bombay and has previously served on the board of directors of several companies including GIC Asset Management Company Limited, the Indo American Chamber of Commerce, Aditya Birla Nuvo Limited, Spykar Lifestyles Private Limited, Aditya Birla Sun Life AMC Limited, LIC Mutual Fund Asset Management Limited, QSK Advisory Private Limited.

Sumitha Jayasankar is a Non-Executive and Non-Independent Director of our Company. She holds a bachelor of medicine and bachelor of surgery degree from Rajiv Gandhi University of Health Sciences, Karnataka, India and a master of surgery degree in obstetrics and gynecology from Sri Ramachandra University, Chennai, India. She is also a registered practitioner with the Travancore-Cochin council of modern medicine. She has previously worked as a senior registrar in the department of gynecology and obstetrics in KIMS Hospital, Kochi, India.

Thotanchath Balakrishnan is an Independent Director of our Company. He holds a bachelor's degree in arts from University of Delhi, India. He is a former member of the Indian Administrative Service. He has also worked as the managing director of INKEL Limited, and as the chairman and managing director of Kerala High Speed Rail Corporation Limited. He has previously served on the board of directors of several companies including INKEL-EKK Roads Private Limited, Cheraman Infrastructure Private Limited, Kerala State Mineral Development Corporation Limited, and Travancore Titanium Products Ltd.

Relationship between our Directors

Except as stated below, none of our Directors, Senior Management Personnel and Key Management Personnel are related to each other:

Name of Director	Name of related director/Senior Management Personnel/Key Management Personnel	Relationship
Vazhappully Padmanabhan Nandakumar	Sumitha Jayasankar	Daughter
Vazhappully Padmanabhan Nandakumar	Adinadh K R	Niece's husband
Sumitha Jayasankar	Adinadh K R	Cousin's husband

Confirmations

None of our Directors are, or were, a director of any listed company, during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

Apart from Thotanchath Balakrishnan (details of which are disclosed below), none of our Directors are or were 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.

Name of the company	Name of the stock exchange (s) on which the company was listed	Date of delisting on stock exchange (s)	Whether the delisting was compulsory or voluntary	Reasons for delisting	Whether the company has been relisted	Date of relisting, in the event the company is relisted	Name of the stock exchange(s) on which the company was relisted	Term of directorship (along with relevant dates) in such company
EICL Limited	BSE and Calcutta stock exchange	June 4, 2014 (*from BSE*); and May 28, 2014 (*from Calcutta Stock Exchange Limited*)	Voluntary	For offering more flexibility and greater efficiency in the operations and management of EICL Limited and not be bound by laws applicable to listed companies.	No	N.A.	N.A.	May 1, 2012 to May 8, 2023

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.

Further, one of our directors, Harshan Kollara Sankarakutty has confirmed that his name was erroneously appearing in the list of disqualified directors in connection with his directorship in a company which had not filed its annual financial statements. However, effective January 2020, his DIN has been restored and has been active since then.

Terms of appointment of our Directors

Remuneration to our Executive Directors

Blangat Narayanan Raveendra Babu

Blangat Narayanan Raveendra Babu was initially appointed as the Joint Managing Director of our Company pursuant to the Shareholders' resolution dated August 25, 2020 and the Board resolution dated May 30, 2020. Subsequently, he was appointed as the Managing Director of our Company with effect from July 1, 2021 up to June 1, 2025 by way of a Board resolution dated May 14, 2021 and a Shareholders resolution dated May 21, 2021.

Our Company entered into an employment agreement with Blangat Narayanan Raveendra Babu on July 1, 2021 and pursuant to the Board resolution dated May 9, 2023 and the Shareholders resolution dated August 16, 2023, the terms of remuneration of Blangat Narayanan Raveendra Babu were revised, with effect from July 1, 2023, and are specified below. However, in the event of inadequacy of profits or no profits, he shall be entitled to a consolidated remuneration, including commission, not exceeding ₹30 million during a financial year and such remuneration shall remain in force for a period of three years commencing from the year the Company has inadequacy of profits or reports loss.

Remuneration	
Particulars	**Details**
Remuneration (₹ in million per annum):	13.62
Commission:	Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board subject to the norms framed by the Board from time to time.
Retirement benefits / Perquisites contribution to provident fund:	12% of the monthly salary
Perquisites	
Eligible to receive employee stock options to the extent of number of shares arising based on options approved to be issued by the Nomination and Remuneration Committee.	
Medical reimbursement expenses for self and family including premium payable for medical insurance.	
Contribution to pension fund, superannuation fund, gratuity fund, encashment of leave at the end of the tenure of appointment as per the rules of the Company.	
Personal accident insurance as per the rules of the Company.	
Leave travel concession for self and family once a year as per the rules of the Company.	
Rent free accommodation while staying in Chennai.	
Fee for clubs, subject to a maximum of two clubs, excluding life membership and admission fees.	
Other allowances, perquisites, benefits, and amenities as may be provided by the Company from time to time.	

Payment or benefit to our Directors

Remuneration to our Managing Director

The details of the remuneration and commission paid to our Managing Director in the Financial Year 2023 is as follows:

Sr. No.	Name of the Managing Director	Remuneration (₹ in million)	Commission (₹ in million)
1.	Blangat Narayanan Raveendra Babu	13.75*	6.00

** Inclusive of 0.88 million considered as prerequisite in Form-16 pursuant to taxable contribution to provident fund.*

Remuneration to our Non-Executive Directors

Our Non-Executive Directors, except Vazhappully Padmanabhan Nandakumar and Sumitha Jayasankar, are each eligible for sitting fees for attending each meeting of the Board or committees thereof. Our Company has, pursuant to a board resolution dated September 22, 2023, fixed the sitting fees at ₹32,000 per meeting for attending the meetings of our Board, ₹21,000 per meeting for attending the meetings of our Audit Committee and Management Committee, ₹15,000 per meeting for attending the meetings of each of our Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, IT strategy committee and Stakeholders Relationship Committee and ₹7,000 per meeting for attending the meetings of borrowing and securities allotment committee.

The details of remuneration paid to our Non-Executive Directors for Financial Year 2023, are as follows:

Sr. No.	Name of the Non- Executive Director	Sitting fees (₹ in million)	Remuneration (₹ in million)	Commission (₹ in million)
1.	Vazhappully Padmanabhan Nandakumar	Not Applicable	Not Applicable	Not Applicable
2.	Gautam Rathindranath Saigal	0.54	Not Applicable	1.37
3.	Raja Vaidyanathan Venkataraman Sattanathapuram	0.73	Not Applicable	1.11
4.	Ramanathan Annamalai	0.50	Not Applicable	1.11
5.	Desh Raj Dogra	0.55	Not Applicable	1.54
6.	Thotanchath Balakrishnan	0.53	Not Applicable	1.37
7.	Pushya Sitaraman	0.39	Not Applicable	1.37
8.	Subrata Kumar Atindra Mitra	0.29	Not Applicable	1.63
9.	Abhijit Sen	0.58	Not Applicable	1.12
10.	Harshan Kollara Sankarakutty	0.43	Not Applicable	1.12
11.	Anita Belani	0.06	Not Applicable	0.25
12.	Sumitha Jayasankar(1)	Not Applicable	Not Applicable	Not Applicable

(1) Appointed in Financial Year 2024.

There is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2023.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors have been appointed on the Board.

Service Contracts with Directors

None of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Bonus or profit-sharing plan for Directors

None of our Director are party to any bonus or profit-sharing plan of our Company.

Shareholding of Directors in our Company

For details on shareholding of the Directors in our Company, see "*Capital Structure –Details of Equity Shares held by our Promoter, members of our Promoter Group, Directors, Key Management Personnel in our Company and Senior Management Personnel*" on page 82.

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees and commission, as applicable) and reimbursement of expenses, paid or payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of any remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "*-Terms of appointment of our Directors"* on page 245.

Other than Raja Vaidyanathan Venkataraman Sattanathapuram, being an initial subscriber to the MoA, none of our Directors have any interests in the promotion or formation of our Company. For further details, see *"Our Promoter and Promoter Group - Interests of Promoter and Common Pursuits"* on page 262.

The Directors may also be regarded as interested in the Equity Shares, if any, that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and promoters, pursuant to this Issue.

Other than Raja Vaidyanathan Venkataraman Sattanathapuram, who was the initial subscriber to the memorandum of association of our Company, no consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies, in which they are interested as members by any person either to induce them to become or help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company. None of our Directors have any interest in any property acquired or proposed to be acquired of the Company or by the Company.

No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below:

Name	Date of Change	Reason for change in Board
Sumitha Jayasankar	September 22, 2023	Appointed as Additional Director(3)
Manoharan Makkunni Thanniyath	July 15, 2023	Resigned as an Independent Director from the Board due to ill-health
Anita Belani	January 13, 2023	Appointed as Additional Director(1)
Harshan Kollara Sankarakutty	August 7, 2021	Appointed as Additional Director(2)
Blangat Narayanan Raveendra Babu	July 1, 2021	Appointed as Managing Director
Raja Vaidyanathan Venkataraman Sattanathapuram	July 1, 2021	Appointed as Non-Executive and Non-Independent Director

Note: This does not include changes pursuant to re-appointment of Directors.

(1) Regularised pursuant to a resolution passed by our Shareholders on March 23, 2023.

(2) Regularised pursuant to a resolution passed by our Shareholders on September 8, 2021.

(3) Regularised pursuant to a resolution passed by our Shareholders on October 3, 2023

Borrowing powers of the Board

Pursuant to resolutions passed by our Board on March 23, 2023 and our Shareholders on April 1, 2023, our Board is authorised to borrow such sum or sums of money or monies for the purposes of the business of our Company as may be required from time to time, on such terms and conditions as our Board may think fit, which together with the monies already borrowed by our Company, provided that the total amount of money/ monies so borrowed by our Board shall not at any time exceed the limit of ₹160,000 million which may be borrowed in one or more than one tranches.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board has 13 Directors comprising of our Managing Director and 12 Non-Executive Directors, out of which, eight are Independent Directors. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Committees of the Board

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute other committees for various functions as may be required.

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below.

Audit Committee

The members of the Audit Committee are:

S. No.	Name of director	Board Designation	Committee Designation
1.	Desh Raj Dogra	Independent Director	Chairman
2.	Abhijit Sen	Independent Director	Member
3.	Gautam Rathindranath Saigal	Non-Executive Non-Independent Director	Member
4.	Raja Vaidyanathan Venkataraman Sattanathapuram	Non-Executive Non-Independent Director	Member
5.	Thotanchath Balakrishnan	Independent Director	Member
6.	Harshan Kollara Sankarakutty	Independent Director	Member

The Audit Committee was constituted at a meeting of our Board held on September 7, 2009 and last reconstituted at a meeting of our Board held on November 12, 2021. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 8, 2019 and last amended by way of resolution dated September 22, 2023 passed by our Board are set forth below:

(a) Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013

ii. changes, if any, in accounting policies and practices and reasons for the same;

iii. major accounting entries involving estimates based on the exercise of judgment by management;

iv. significant adjustments made in the financial statements arising out of audit findings;

v. compliance with listing and other legal requirements relating to financial statements;

vi. disclosure of any related party transactions; and

vii. modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Approval or any subsequent modification of transactions of the Company with related parties;

(i) Scrutiny of inter-corporate loans and investments;

(j) Valuation of undertakings or assets of the Company, wherever it is necessary;

(k) Evaluation of internal financial controls and risk management systems;

(l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) Discussion with internal auditors of any significant findings and follow up there on;

(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) To review the functioning of the whistle blower mechanism;

(s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(t) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

(u) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

(v) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

(w) Monitoring the end use of funds raised through public offers and related matters.

(x) Carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, SEBI ICDR Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties; and

(y) To carry out such other functions as may be specifically referred to the Audit Committee by the Board and/or other committees of directors of the Company.

The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) Internal audit reports relating to internal control weaknesses; 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:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations, as amended;

ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations, as amended.

(f) Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

S. No.	Name of director	Board Designation	Committee Designation
1.	Thotanchath Balakrishnan	Independent Director	Chairman
2.	Ramanathan Annamalai	Independent Director	Member
3.	Gautam Rathindranath Saigal	Non-Executive Non-Independent Director	Member
4.	Pushya Sitaraman	Independent Director	Member
5.	Anita Belani	Independent Director	Member

The Nomination and Remuneration Committee was constituted at a meeting of our Board held on September 7, 2009 as a compensation committee and last reconstituted at a meeting of our Board held on May 9, 2023. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 8, 2019 and amended by way of resolution dated September 22, 2023 passed by our Board are set forth below:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required;

ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates.

(d) Devising a policy on Board diversity;

(e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

(f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(g) Recommend to the Board, all remuneration, in whatever form, payable to senior management; and

(h) Carrying out any other activities as may be delegated by the Board and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(i) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws ("**ESOP Scheme**")

i. Determining the eligibility of employees to participate under the ESOP Scheme;

ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

iii. Date of grant;

iv. Determining the exercise price of the option under the ESOP Scheme;

v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

x. The grant, vest and exercise of option in case of employees who are on long leave;

xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;

xii. The procedure for cashless exercise of options;

xiii. Forfeiture/ cancellation of options granted;

xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;

- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and

- the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

xv. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.

xvi. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

S. No.	Name of director	Board Designation	Committee Designation
1.	Harshan Kollara Sankarakutty	Independent Director	Chairman
2.	Blangat Narayanan Raveendra Babu	Managing Director	Member
3.	Pushya Sitaraman	Independent Director	Member
4.	Subrata Kumar Atindra Mitra	Independent Director	Member

The Stakeholders' Relationship Committee was constituted at a meeting of our Board held on May 24, 2021 and last reconstituted at a meeting of our Board held on May 9, 2023. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 8, 2019 and amended by way of resolution dated May 9, 2023 passed by our Board are set forth below:

(a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, nonreceipt of annual report, non-receipt of declared dividends/interest, issue of new/duplicate certificates, general meetings etc.;

(b) Review of measures taken for effective exercise of voting rights by shareholders;

(c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(d) Review of the various measures and initiatives taken by the Company for ensuring timely receipt of annual reports/statutory notices by the security holders of the Company;

(e) Review of all communications to security holders mandated by SEBI Listing Regulations and Companies Act, 2013; and

(f) Any other matters that can facilitate better investor services and relations.

Risk Management Committee

The members of the Risk Management Committee are:

S. No.	Name of director	Board Designation	Committee Designation
1.	Gautam Rathindranath Saigal	Non-Executive Non-Independent Director	Chairman
2.	Abhijit Sen	Independent Director	Member
3.	Blangat Narayanan Raveendra Babu	Managing Director	Member
4.	Desh Raj Dogra	Independent Director	Member
5.	Raja Vaidyanathan Venkataraman Sattanathapuram	Non-Executive Non-Independent Director	Member
6.	Anita Belani	Independent Director	Member
7.	Chief risk officer	N.A.	Member

The Risk Management Committee was constituted at a meeting of our Board held on November 6, 2014 and reconstituted at a meeting of our Board held on May 9, 2023. The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 8, 2019 and amended by way of resolution dated May 9, 2023 passed by our Board are set forth below:

(a) To formulate a detailed Risk Management Policy, which shall cover the following:

i. a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

ii. measures for risk mitigation including systems and processes for internal control of identified risks; and

iii. business continuity plan

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(f) The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

(g) Identification, monitoring and measurement of the risk profile of the Company (including market risk, operational risk, compliance risk, credit risk, transactional risk etc.);

(h) Overseeing its integrated risk measurement system;

(i) To analyze the critical decision for investments and corporate lending; and

(j) Perform such other act, including the acts and functions stipulated by RBI and any other regulatory authority, as prescribed from time to time.

Corporate Social Responsibility Committee

The members of the corporate social responsibility Committee are:

S. No.	Name of director	Board Designation	Committee Designation
1.	Pushya Sitaraman	Independent Director	Chairperson
2.	Blangat Narayanan Raveendra Babu	Managing Director	Member
3.	Desh Raj Dogra	Independent Director	Member
4.	Thotanchath Balakrishnan	Independent Director	Member

The Corporate Social Responsibility Committee was constituted at a meeting of our Board held on February 19, 2015 and reconstituted at a meeting of our Board held on May 24, 2021. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act and its terms of reference as stipulated pursuant to a resolution dated August 8, 2019 and amended by way of resolution dated May 9, 2023 passed by our Board are set forth below:

(a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) Monitor the CSR Policy of the Company from time to time; and

(d) Formulation of annual action plan in accordance with CSR Policy.

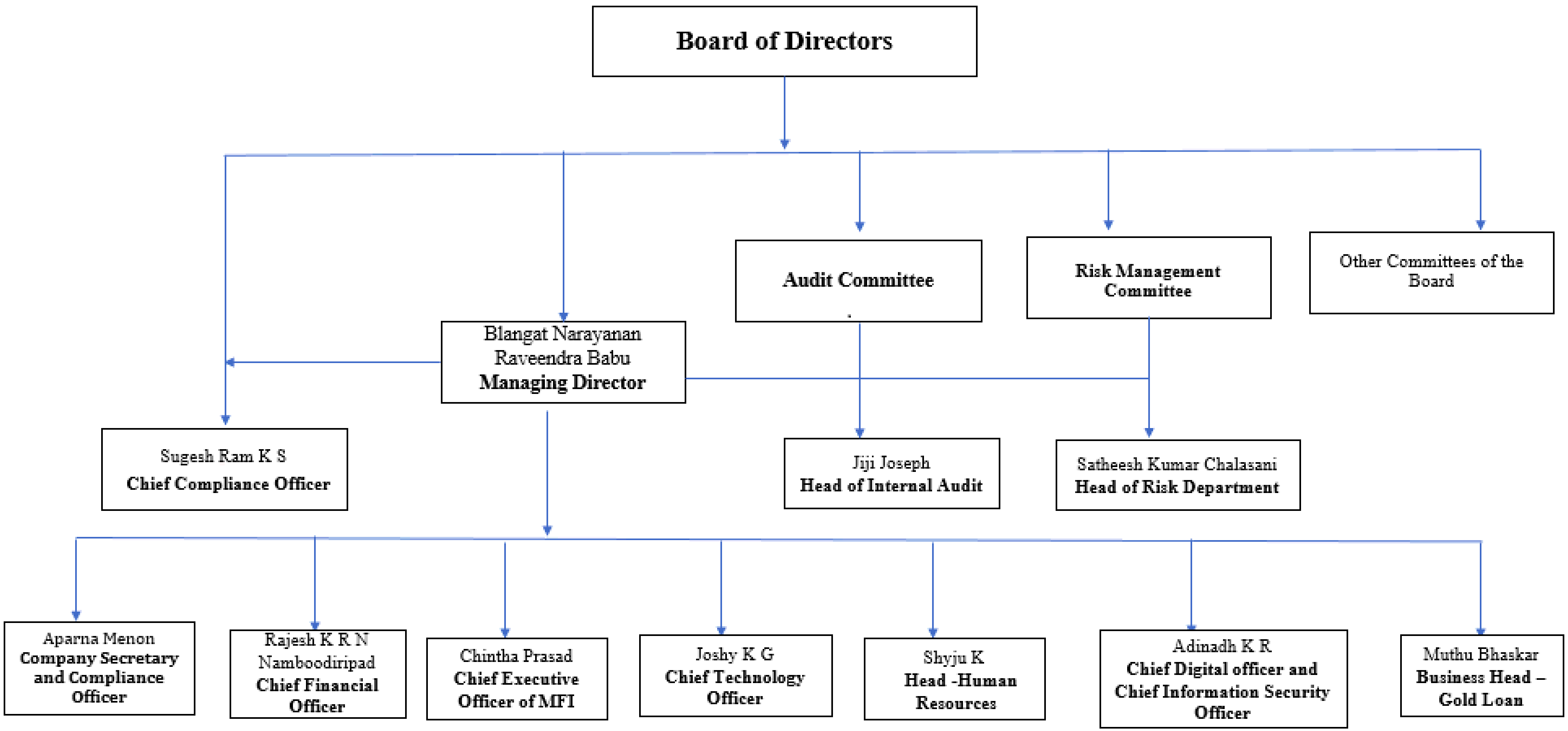
IPO Committee

The members of the IPO Committee are:

S. No.	Name of director	Board Designation
1.	Vazhappully Padmanabhan Nandakumar	Chairman, Non-Executive and Non-Independent Director
2.	Blangat Narayanan Raveendra Babu	Managing Director
3.	Gautam Rathindranath Saigal	Non-Executive Non-Independent Director
4.	Desh Raj Dogra	Independent Director

Additionally, our Board has also constituted a borrowing and securities allotment committee, IT strategy committee, asset liability committee and a management committee.

Management Organisation Structure



Key Managerial Personnel

In addition to Blangat Narayanan Raveendra Babu whose details are set out under " – *Brief Biographies of Directors*" on page 243, the details of the Key Management Personnel, as on the date of this Draft Red Herring Prospectus, are set out below:

Rajesh K R N Namboodiripad is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from University of Mumbai, India and a post graduate diploma in fintech from Birla Institute of Technology and Science, India. He is an associate of the Institute of Chartered Accounts of India and has completed the online executive education programme in 'data analytics' conducted by Indian Institute of Management, Rohtak, India. He holds a certificate in 'credit skills for bankers' presented by Moody's Analytics and a certificate from the Indian Institute of Banking and Finance for passing the certificate course on non-banking financial companies. He has previously worked as the general manager of internal audit of our Promoter, MAFIL. He joined our Company on December 1, 2021 and during Financial Year 2023, he received a gross remuneration of ₹3.07 million.

Aparna Menon is the Company Secretary and Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India. She holds a bachelor's degree in corporate secretaryship from Bharathiar University, India. She has completed a certificate course on securities law conducted by the Institute of Company Secretaries of India and an online programme on "Private Equity – Investing and Creating Value" conducted by BSE Institute Limited, India. She has previously worked as the senior manager of the secretarial department of our Promoter, MAFIL and as the company secretary of Prestige Mysore Retail Venture Private Limited. She has also worked with J.P. Morgan Services India Private Limited. She joined our Company on October 27, 2020 and during Financial Year 2023, she received a remuneration of ₹1.65 million.

Senior Management Personnel

In addition to Rajesh K R N Namboodiripad and Aparna Menon whose details are set out above, the details of the Senior Management Personnel, as on the date of this Draft Red Herring Prospectus, are set out below:

Chintha Prasad is the chief executive officer of the MFI segment of our Company. He holds a bachelor's degree in commerce from Acharya Nagarjuna University, India. His key functions and areas of experience in the Company include achievement of asset under management growth, budget management and operations and control. He has previously worked as the assistant general manager of the operations department of our Promoter, MAFIL. He joined our Company on December 4, 2019 and was appointed the chief executive officer – MFI with effect from April 1, 2023. As he was appointed as a Senior Management Personnel with effect from April 1, 2023, he received no remuneration in the capacity of a Senior Management Personnel during Financial Year 2023. However, he has received a remuneration of ₹ 2.11 million during Financial Year 2023 from our Company in other capacities.

Satheesh Kumar Chalasani is the head of risk department of our Company. He holds a bachelor's degree in science from Andhra University, India. He joined our Company on January 7, 2019 and he was appointed the chief operating officer of our Company with effect from April 1, 2023. Subsequently, he was appointed as the head of risk department of our Company on August 26, 2023. His key functions and areas of experience in the Company include formulation of risk management policy, devising strategies for control and mitigation of risk, and risk vetting of operational guidelines. He has previously worked as a senior accountant at Share Microfin Limited. As he was appointed as a Senior Management Personnel on April 1, 2023, he received no remuneration as a Senior Management Personnel during Financial Year 2023. However, he has received a remuneration of ₹ 1.85 million during Financial Year 2023 from our Company in other capacities.

Muthu Bhaskar is the business head of the gold loan business of our Company. He holds a bachelor's degree in commerce from Mahatma Gandhi University, Kottayam, India. He also holds a master's degree in business administration from Sikkim Manipal University, India. Further, he has completed a certificate programme in leadership and change management from Indian Institute of Technology, Tiruchirappalli, India and a leadership and management certificate program from Wharton School, University of Pennsylvania, USA. His key functions and areas of experience in the Company include management of gold loan business vertical, execution of strategy for business development and opening of gold loan branches. He has previously worked as the general manager in the operations department of our Promoter, MAFIL. He joined our Company on June 1, 2020 and during Financial Year 2023, he received a remuneration of ₹2.36 million.

Shyju K is the head of human resources of our Company. He holds a master's degree in Arts from University of Kerala, India. He has previously worked as the senior deputy general manager of the human resource management department of our Promoter, MAFIL. He joined our Company on July 24, 2023 and was appointed the head of human resources on August 7, 2023. His key functions and areas of experience in the Company include recruitment, transfer and promotion of employees and employee training. As he joined our Company on July 24, 2023, he has received no remuneration during Financial Year 2023.

Sugesh Ram K S is the chief compliance officer of our Company. He holds a bachelor's degree in arts from University of Calicut, India and a bachelor's in law degree from Bangalore University, India. He also holds a diploma in journalism from the Symbiosis, Institute of Mass Communication, Pune, India. He is an advocate and an associate of the Institute of Company

Secretaries of India. He joined our Company on December 1, 2021 and has been appointed the chief compliance officer on August 1, 2022 for a period of three years, i.e., until September 30, 2025. His key functions and areas of experience in the Company include regulatory compliance, compliance monitoring and reporting and compliance investigations and remediation. He has previously worked as the group company secretary of Chemmanur Gold Palace International Limited and company secretary of Tattva Fincorp Limited, Manjilas Food Tech Private Limited and Kerala Enviro Infrastructure Limited. During Financial Year 2023, he received a remuneration of ₹1.53 million.

Joshy K G is the chief technology officer of our Company. He has cleared the final examination conducted by Institute of Chartered Accountants of India. He holds a certificate for the completion of the managerial effectiveness programme for senior executives of MAFIL from Indian Institute of Management, Kozhikode, India and a NPTEL online certification for the blockchain architecture design and use cases from Indian Institute of Technology, Kharagpur, , India. Further, he has completed the certified cyber warrior course by International Institute of Information Technology, Bangalore, India and is a certified professional of MLAI. He has also passed the information security management systems auditor/lead auditor training course by BSI Training Academy, India. He joined our Company on March 10, 2022. His key functions and areas of experience in the Company include technology strategy, system architecture, information security and technology compliance. He has previously worked as the general manager and the head of information technology department of our Promoter, MAFIL. During Financial Year 2023, he received a remuneration of ₹3.33 million.

Adinadh K R is the chief digital officer and chief information security officer of our Company. He holds a bachelor's degree in technology from Mahatma Gandhi University, India and a master of engineering degree in computer science and engineering from Anna University Coimbatore, India. He also holds a doctor of philosophy degree in computer science and engineering from Karpagam Academy of Higher Education, India and is certified as a red hat certified engineer by Red Hat Inc. He joined our Company on June 1, 2020 and he was appointed the chief technology officer on May 14, 2021. Thereafter, he was redesignated as the chief digital officer on October 6, 2022 and was later assigned the additional responsibility of chief information security officer on March 10, 2023. His key functions and areas of experience in the Company include cybersecurity and data privacy, technology and innovation, digital marketing and customer acquisition. He has previously worked as the vice president of information technology for the IT product development and delivery department of Manappuram Comptech and Consultants Limited and as the assistant professor in computer science and engineering at the SNM Institute of Management and Technology, India. During Financial Year 2023, he received a remuneration of ₹4.00 million.

Jiji Joseph is the internal auditor and head of internal audit of our Company. She holds a bachelor's degree in commerce from University of Calicut, India and is an associate member of the Institute of Cost and Works Accountants of India. She holds a diploma in information system security audit from the Institute of Cost Accountants of India. She joined our Company on October 11, 2022 and has been appointed as the head of internal audit with effect from May 9, 2023 for a period of 3 years, i.e., until May 8, 2026. She has previously worked as the chief manager for compliance department of our Promoter, MAFIL and was also associated with the Kerala Institute of Local Administration. Her key functions and areas of experience in the Company include internal audit planning and control, audit execution and reporting, and fraud detection and prevention. As she was appointed a Senior Management Personnel in May 2023, she received no remuneration as a Senior Management Personnel during Financial Year 2023. She has received a remuneration of ₹ 1.09 million during Financial Year 2023 from our Company in other capacities.

Relationship between our Key Managerial Personnel and Senior Management Personnel and Directors

None of our Key Managerial Personnel or Senior Management Personnel are related to each other. Except for (i) Adinadh K R and Vazhappully Padmanabhan Nandakumar who are related, i.e., Adinadh K R being Vazhappully Padmanabhan Nandakumar's niece's husband and (ii) Adinadh K R and Sumitha Jayasankar who are related, i.e., Adinadh K R being Sumitha Jayasankar's cousin's husband, none of our Key Managerial Personnel or Senior Management Personnel are related to any of the Directors of our Company.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

Except for Blangat Narayanan Raveendra Babu, none of the Key Managerial Personnel and Senior Management Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Bonus or profit-sharing plans for our Key Managerial Personnel and Senior Management Personnel

Except for Chintha Prasad, who is entitled to performance linked benefits, none of our Key Managerial Personnel or Senior

Management Personnel are party to any bonus or profit-sharing plan of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "*Capital Structure – Details of Equity Shares held by our Promoter, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel in our Company*" on page 82, and in the section "*Capital Structure –Share capital history of our Company*" on page 74, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares.

For details of ESOPs held by our Key Managerial Personnel and Senior Management Personnel, see "*Capital Structure – Employee Stock Options Schemes of our Company*" on page 84.

Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years.

Details of the changes in our Key Managerial Personnel and Senior Management Personnel in the last three years are set forth below:

Name	Date of Change	Reason for change in Key Managerial Personnel and Senior Managerial Personnel
Satheesh Kumar Chalasani	August 26, 2023	Redesignated as head of risk department
Nandagopalan G	August 10, 2023	Resigned as chief risk officer due to family exigencies
Shyju K	August 7, 2023	Appointed as head of human resource
Neena K P	July 25, 2023	Resigned as head of human resource due to pre-occupation in other assignments
Nandakumar R	May 29, 2023	Resigned as head of internal audit due to personal reasons
Jiji Joseph	May 9, 2023	Appointed as head of internal audit
S. Umasankar	May 5, 2023	Resigned as chief risk officer due to family problems
Chintha Prasad	April 1, 2023	Appointed as chief executive officer – MFI
Satheesh Kumar Chalasani	April 1, 2023	Appointed as chief operative officer
Adinadh K R	March 10, 2023	Appointed as chief information security officer
Nandakumar R	January 31, 2023	Appointed as head of internal audit
Rajasekaran NRK	December 11, 2022	Resigned as head of internal audit due to personal reasons
Robert K P	November 18, 2022	Resigned as chief risk officer due to personal reasons
Adinadh K R	October 6, 2022	Redesignated as chief digital officer
Ravindra Goud	September 30, 2022	Resigned as chief operating officer due to personal reasons
Sugesh Ram K S	August 1, 2022	Redesignated as chief compliance officer
Yogesh Ratnakar Udhoj	May 18, 2022	Resigned as the chief financial officer due to personal reasons
Rajesh K R N Namboodiripad	May 17, 2022	Change in designation from head of internal audit to Chief Financial Officer
Sai Manohar Pai	May 14, 2022	Resigned as head of human resource due to personal reasons
Neena K P	March 14, 2022	Appointed as head of human resource
Joshy K G	March 14, 2022*	Appointed as chief technology officer
Muthu Bhaskar	March 7, 2022	Appointed as the business head of gold loan business
B. B. Vasudeva Rao	December 28, 2021	Resigned as head of internal audit due to personal reasons
Rajesh K R N Namboodiripad	December 15, 2021	Appointed as head of internal audit
Bikram Mishra	November 1, 2021	Resigned as chief human resource officer due to health issues
Sai Manohar Pai	December 15, 2021	Appointed as head of human resource
Rajasekaran NRK	December 15, 2021	Appointed as internal auditor and head of internal audit
S. Umasankar	December 15, 2021	Appointed as chief risk officer
Sugesh Ram K S	December 15, 2021	Appointed as compliance head
Anand Sharma	May 14, 2021	Resigned as chief technology officer due to personal reasons
Adinadh K.R	May 14, 2021	Appointed as chief technology officer
S Ramachandran	April 16, 2021	Resigned as chief operating officer due to personal reasons
Ravindra Goud	April 1, 2021	Appointed as chief operating officer
B. B. Vasudeva Rao	March 16, 2021	Appointed as head of internal audit
Robert K P	March 16, 2021	Appointed as chief risk officer
Aparna Menon	December 1, 2020	Appointed as Company Secretary and Compliance Officer
Anup Kumar Gupta	November 30, 2020	Resigned as company secretary and compliance officer due to personal reasons

***Note:** *Joshy K G joined our Company as a senior general manager on March 10, 2022 and was appointed as the chief technology officer of our Company with effect from March 14, 2022.*

For details of attrition and reasons thereof, see "*Risk Factor – We are dependent on our Senior Management Personnel, Key Managerial Personnel and our employees, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations, cash flows and financial condition*." on page 42.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed or selected as a Key Managerial Personnel or Senior Management Personnel pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others**.**

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel which accrued in Financial Year 2023.

Payment of non-salary related benefits to Key Managerial Personnel and Senior Management Personnel of our Company

No 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 or given, other than in the ordinary course of their employment.

Employee stock option plan and employee stock purchase plan

For details of our ESOP schemes, see "*Capital Structure*" beginning on page 74.

OUR PROMOTER AND PROMOTER GROUP

MAFIL is the Promoter of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoter, holds 195,485,619 Equity Shares in our Company, representing 97.59% of the issued, subscribed and paid-up equity share capital of our Company, on a fully-diluted basis. For further details, see "*Capital Structure – History of the Share Capital held by our Promoter - Build-up of the Equity shareholding of our Promoter in our Company*", on page 79.

Details of our Promoter

Manappuram Finance Limited ("MAFIL")

Corporate Information

MAFIL was incorporated as Manappuram General Finance and Leasing Limited on July 15, 1992 at Thrissur, Kerala as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Kerala and Lakshadweep. The Corporate Identification Number for MAFIL is L65910KL1992PLC006623. MAFIL was granted a certificate of commencement of business on July 31, 1992 from the Registrar of Companies, Kerala. Further, the Company had obtained a certificate of registration, dated May 25, 1998, issued by RBI to carry on the activities of an NBFC accepting deposits. However, subsequently, the Company obtained a certificate of registration dated March 22, 2011 issued by RBI to carry on the activities of NBFC without accepting public deposits. Further, pursuant to change in name of the Company, a fresh certificate of registration dated July 4, 2011, bearing registration number B-16.00029, was issued by RBI to carry on the activities of an NBFC without accepting public deposits under Section 45 IA of the RBI Act. The registered office of MAFIL is situated at W - 4/638 A, Manappuram House, Chavakkad 680 567, Kerala, India.

MAFIL is a listed company having its (i) equity shares listed on BSE with effect from November 10, 1995 and NSE with effect from December 1, 2014 and (ii) debt securities listed on BSE.

Nature of Business

MAFIL is engaged in the business of gold loan, personal loan, business loan, vehicle loan, foreign exchange and money transfer and small scale industrial finance.

There has been no change in business activities of our promoter, MAFIL.

Board of Directors

The Board of Directors of MAFIL, as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Director	Designation
1.	Vazhappully Padmanabhan Nandakumar	Managing Director and Chief Executive Officer
2.	Shailesh J Mehta	Chairperson, Independent and Non-Executive Director
3.	P. Manomohanan	Independent and Non-executive Director
4.	V. R. Ramachandran	Independent and Non-executive Director
5.	Abhijit Sen	Independent and Non-executive Director
6.	Harshan Kollara Sankarakutty	Independent and Non-executive Director
7.	S. R. Balasubramanian	Non-Executive Director
8.	Sumitha Jayasankar	Executive Director
9.	Pratima Ram	Independent and Non-executive Director
10.	V.P. Seemandini	Independent and Non-executive Director

Shareholding Pattern of MAFIL

The shareholding pattern of MAFIL as of June 30, 2023 is as provided below:

Category (I)	**Category of Shareholder (II)**	**Number of Shareholders (III)**	**Number of fully paid up Equity Shares held (IV)**	**Number of partly paid-up Equity Shares held (V)**	**Number of Equity Shares underlying Depository Receipts (VI)**	**Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)**	**Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)**	**Number of voting rights held in each class of securities (IX)**				**Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)**	**Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2)**	**Number of locked in Equity Shares (XII)**		**Number of Equity Shares pledged or otherwise encumbered (XIII)**		**Number of Equity Shares held in dematerialized form (XIV)**
								Number of Voting Rights			**Total as a % of (A+B + C)**			**Number (a)**	**As a % of total Equity Shares held** (b)	**Number (a)**	**As a % of total Equity Shares held (b)**	
								Class e.g.: Equity Shares	**Class e.g.: others**	**Total**								
(A)	**Promoter and promoter group**	5	297,951,014	-	-	297,951,014	35.20	297,951,014	-	297,951,014	35.20	-	35.20	-	-	-	-	297,951,014
(B)	**Public**	370,988	548,443,715	-	-	548,443,715	64.80	548,443,715	-	548,443,715	64.80	-	64.80	-	-	Not Applicable	Not Applicable	545,371,302
(C)	**Non-promoter – non public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Equity shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Equity shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**370,993**	**846,394,729**	**-**	**-**	**846,394,729**	**100.00%**	**846,394,729**	**-**	**846,394,729**	**100**	**-**	**100.00**	**-**	**-**	**-**	**-**	**843,322,316**

Details of change in control of MAFIL

There has been no change in the control of MAFIL in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoters of MAFIL

The promoters of MAFIL are Vazhappully Padmanabhan Nandakumar and Sushama Nandakumar.

Our Company confirms that the permanent account number, bank account number, company registration number of MAFIL along with the address of the registrar of companies where MAFIL is registered will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in the control of our Company

There has been no change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of Promoter and Common Pursuits

Our Promoter is interested in our Company to the extent that (i) it is the promoter of our Company; and (ii) to the extent of its shareholding in our Company; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoter in our Company, see "*Capital Structure – History of the share capital held by our Promoter – (a) Build-up of the Equity shareholding of our Promoter in our Company*", on page 79.

No sum has been paid or agreed to be paid to our Promoter or to the firms or companies in which our Promoter is interested as members in cash or shares or otherwise by any person, either to induce it to become or to qualify it, as director or promoter or otherwise for services rendered by our Promoter or by such firms or companies in connection with the promotion or formation of our Company.

Except as disclosed in "*Other Financial Information - Related Party Transactions*" on page 380, no amount or benefit has been paid or given to our Promoter, or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or any of the members of the Promoter Group

Except as disclosed below, and under "*Other Financial Information – Related Party Transaction*" on page 380, our Promoter has no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc:

i. MAFIL has entered into a lease agreement dated August 30, 2021 with our Company, pursuant to which MAFIL has leased premises admeasuring 2,051 sq. ft. situated at building bearing number IV/470 (old) W638A (New), 2nd floor and 4th floor, Manappuram House, Valapad, Thrissur, Kerala to our Company for a period of five years from June 1, 2021 to May 31, 2026 for a monthly rent amounting to ₹0.07 million.

ii. Our Company has entered into a sub-lease agreement dated January 24, 2023 with MAFIL, pursuant to which our Company has sub-leased premises admeasuring 1,560 sq. ft. situated at building no. 9, 10th Floor, Club House Road, Anna Salai, Chennai, Tamil Nadu to MAFIL for a period of five years from January 24, 2023 to April 30, 2028 for a monthly rent amounting to ₹1.07 million.

iii. Our Company has obtained a no objection from our Promoter for the tag line "*Subsidiary of Manappuram Finance Ltd.*" being used as a part of our logo, for which the trademark registration is currently pending. For details, see "*Government and Other Approvals – Intellectual Property*" on page 432.

iv. Our Company, pursuant to the service agreements dated (i) August 12, 2020; and (ii) May 22, 2020 entered into with MAFIL ("**Service Agreements**"), have agreed to share the rent payable in the MAFIL offices wherein the Company is carrying out its business. In terms of the Service Agreements, our Company is sharing the following branch offices with MAFIL:

Sr. No.	Address	Allotted Area to Company	Rent Payable (in ₹)
1.	1st Floor, OBP Building, Opp Brahmins Hostel, Salgame Road, Hassan 573 201, Karnataka	200 sq. ft.	6,712
2.	First Floor, Door Number-1-7-144/2/9-12, Musheerabad Main Road, Opp. Andhra Bank, Musheerabad, Hyderabad, Telangana	200 sq. ft	3,750
3.	No 9/154, 1st Floor, Modi Mansion, Marigundi Street, Kollegal 571 440, Karnataka	200 sq. ft.	4,408
4.	No 416- 1, Opp Balaji Hospital, Ram Mandir Road, Tiptur 572 201, Karnataka	200 sq. ft	6,612
5.	1st Floor, Keerthi Plaza Holalkere Road, above Lakshmi Villas Bank, Karnataka 577 501	200 sq. ft.	7,935
6.	D no/1-1-23, 1st floor, K.T Road, Bangaraiah Kottu Centre, near Vijaya Krishna Super Bazar, Chitti Nagar, Krishna DT 520 009, Andhra Pradesh	200 sq. ft	12,000

Other Interests

Our Company has entered into an agreement dated August 13, 2021 with MAFIL, pursuant to which MAFIL will provide consulting and training services, comprising content development e-learning, virtual classroom, content development products and products manual, leadership management development program, higher education, and utilization of training infrastructure, to the employees of our Company. The effective date for the commencement of this agreement is April 1, 2021 and it will remain in effect unless terminated in accordance with the provisions of this agreement. Our Company has paid ₹6.90 million and ₹7.45 million for the financial years 2021-22 and 2022-23, respectively, to MAFIL for the said services.

Material guarantees given by our Promoter to third parties with respect to the Equity Shares of our Company

Our Promoter has not given any material guarantee to any third party with respect to the Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated itself from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Promoter Group

The following entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. Set out below, are the entities forming part of our Promoter Group (other than our Promoter):

1. Manappuram Comptech and Consultants Limited;
2. Manappuram Home Finance Limited; and
3. Manappuram Insurance Brokers Limited

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoters and subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Information for the last three fiscals (and stub period, if any, in respect of which, Restated Financial Information are included in this Draft Red Herring Prospectus) and (ii) any other companies considered material by the board of directors of an issuer company.

In relation to (i) above, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies of our Company shall include the companies (other than our Promoter) with which there were related party transactions, as per Ind AS 24 and as disclosed in the Restated Financial Information for the last three fiscals (and stub period, if any) ("**Relevant Period**").

Further, in relation to (ii) above, pursuant to a resolution dated September 22, 2023 for the purposes of disclosure in this Draft Red Herring Prospectus, (ii) such companies that are a part of the Promoter Group (other than the Promoter) and, with which there were transactions in the most recent financial year, as disclosed in the Restated Financial Information included in the DRHP, exceeding individually or in the aggregate, 10% of the total restated revenue of our Company for the most recent financial year for which Restated Financial Information are included in the DRHP, shall also be considered material to be classified as a Group Company.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has identified the following Group Companies:

1. Adlux Medicity and Convention Centre Private Limited;

2. Infomerics Valuation and Rating Private Limited;

3. Manappuram Comptech and Consultants Limited;

4. Manappuram Health Care Limited;

5. Manappuram Insurance Brokers Limited;

6. Proficient Investment and Financial Consultancy Private Limited; and

7. Vivriti Capital Limited

In accordance with the SEBI ICDR Regulations, the financial information based on the audited statement for last three fiscals and with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, in relation to our top five Group Companies, extracted from their respective audited standalone financial statements (as applicable) are available at the websites indicated below.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information/ details of the Group Companies provided on the websites do not constitute a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk.

Details of our top 5 Group Companies

1. Adlux Medicity and Convention Centre Private Limited

Registered Office

The registered office of Adlux Medicity and Convention Centre Private Limited is situated at No.35/2, Block No.3, Cable Junction, Karukutty Post, Karukutty Village, Aluva Taluk, Angamaly Ernakulam, Kerala, 683576, India.

Financial Information

As required by the SEBI ICDR Regulations, the financial information based on the standalone audited financial statements of Adlux Medicity and Convention Centre Private Limited is available on the website of Adlux Medicity and Convention Centre Private Limited at https://adlux.co.in/financial-summary.php.

2. Vivriti Capital Limited

Registered Office

The registered office of Vivriti Capital Limited is situated at Prestige Zackria Metropolitan No. 200/1-8, 2nd Floor, Block -1, Annasalai, Chennai, 600002, Tamil Nadu, India.

Financial Information

As required by the SEBI ICDR Regulations, the financial information based on the standalone audited financial statements of Vivriti Capital Limited is available on the website of Vivriti Capital Limited athttps://www.vivriticapital.com/investors.html.

3. Infomerics Valuation and Rating Private Limited

Registered Office

The registered office of Infomerics Valuation and Rating Private Limited is situated at Flat No.104/108, First Floor, Golf Apartments, Sujan Singh Park, New Delhi, 110003, India.

Financial Information

As required by the SEBI ICDR Regulations, the financial information based on the standalone audited financial statements of Infomerics Valuation and Rating Private Limited is available on the website of Infomerics Valuation and Rating Private Limited at www.infomerics.com.

4. Manappuram Comptech and Consultants Limited

Registered Office

The registered office of Manappuram Comptech and Consultants Limited is situated at 4/647, 3rd Floor, Manappuram House (Old Building), Valapad, Thrissur, Kerala, 680567, India.

Financial Information

As required by the SEBI ICDR Regulations, the financial information based on the standalone audited financial statements of Manappuram Comptech and Consultants Limited is available on the website of Manappuran Comptech and Consultants Limited at https://macomsolutions.com/.

5. Manappuram Health Care Limited

Registered Office

The registered office of Manappuram Health Care Limited is situated at Door No. V/537, Near Manappuram House, High School Junction, Valapad, Thrissur, 680567, Kerala, India.

Financial Information

As required by the SEBI ICDR Regulations, the financial information based on the standalone audited financial statements of Manappuram Health Care Limited is available on the website of Manappuram Health Care Limited at www.macare.in.

Other Group Companies

6. Proficient Investment and Financial Consultancy Private Limited

Registered Office

The registered office of Proficient Investment and Financial Consultancy Private Limited is situated at Old 4/ New 7, Central Avenue, Kesavaperumal Puram, Madras, Tamil Nadu, 600028, Tamil Nadu, India.

7. Manappuram Insurance Brokers Limited

Registered Office

The registered office of Manappuran Insurance Brokers Limited is situated at 2nd Floor, Manappuram House, Valapad, Thrissur, Kerala, 680567 India.

Nature and extent of interest of our Group Companies

In the promotion of our Company

None of our Group Companies are interested in the promotion of our Company as on the date of the Draft Red Herring Prospectus.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Except as stated below, none of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company:

Our Company had entered into a rental agreement dated October 1, 2021 with Proficient Investment and Financial Consultancy Private Limited ("**Proficient**"), pursuant to which Proficient had leased the premises situated at 1st Floor of the building bearing no. 47 / IF / 3, Deshbandu Plaza, No. 8/25, Whites Road Royapettah, Chennai to our Company for a period of 11 months from October 1, 2021 to August 31, 2022 on a monthly rent of ₹0.04 million.

In transactions for acquisition of land, construction of building and supply of machinery, etc

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among our Group Companies and our Company

Our Group Companies are not involved in any kind of common pursuits with our Company or other Group Companies as on the date of this Draft Red Herring Prospectus.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "*Other Financial Information - Related Party Transactions*" on page 380, there are no other related business transactions with our Group Companies.

Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of our Group Companies

Except for Manappuram Comptech and Consultants Limited, which provides IT related services to our Company, none of our Group Companies have any business interest in our Company.

Confirmations

Except for the following debt securities of Vivriti Capital Limited, which are listed on BSE Limited, they have not made any capital issues (public, rights issue or composite) (as defined under the SEBI ICDR Regulations) in the three immediately preceding years in respect of such debt securities.

Sr. No.	ISIN	Scrip Code	Stock Exchange(s)	Status
1.	INE01HV07148	960466	BSE Limited	Active
2.	INE01HV07262	973768	BSE Limited	Inactive
3.	INE01HV07270	973846	BSE Limited	Inactive
4.	INE01HV07288	973899	BSE Limited	Active
5.	INE01HV07296	974012	BSE Limited	Active
6.	INE01HV07304	974254	BSE Limited	Active
7.	INE01HV07312	974266	BSE Limited	Active
8.	INE01HV07320	974438	BSE Limited	Active
9.	INE01HV07338	974475	BSE Limited	Active
10.	INE01HV07353	974708	BSE Limited	Active
11.	INE01HV07361	974734	BSE Limited	Active

Sr. No.	ISIN	Scrip Code	Stock Exchange(s)	Status
12.	INE01HV07379	974758	BSE Limited	Active
13.	INE01HV07387	974819	BSE Limited	Active
14.	INE01HV07395	974894	BSE Limited	Active
15.	INE01HV07411	938720	BSE Limited	Active
16.	INE01HV07403	938722	BSE Limited	Active
17.	INE01HV07429	938724	BSE Limited	Active
18.	INE01HV07437	938726	BSE Limited	Active
19.	INE01HV07445	938728	BSE Limited	Active

Except as mentioned above in relation to Vivriti Capital Limited, none of our Group Companies have any securities listed on any stock exchange.

Further, except for Vivriti Capital Limited, who was denied in-principal approval from BSE Limited for listing of their non-convertible debentures in the year 2020 as they did not have audited financial statements for preceding 3 (three) financial years at that point of time, none of our Group Company has been refused listing by any stock exchange in India or abroad or has failed to meet the listing requirements of any stock exchanges in India or abroad.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by the Board of Directors 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 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder.

The dividend distribution policy of our Company is in compliance with the RBI Circular No. RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22 dated June 24, 2021 and was adopted and approved by our Board in their meeting held on October 3, 2023 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal factors such as (a) reported and projected net profit after tax; (b) reported and projected statements of free cash flow generation; (c) debt obligations and; (d) liquidity and capital expenditure requirements and any other factors and/or material events which is likely to have a significant impact on our Company, and external factors, such as contractual or statutory restrictions, growth and performance of the economy or any other external factors which may impact our Company's operations.

No dividend on Equity Shares has been paid by our Company since April 1, 2020 till the date of this Draft Red Herring Prospectus. Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Articles of Association and provisions of the SEBI Listing Regulations and other applicable laws. Our Company may pay dividend by cheque, electronic clearance service, as will be approved by our Board in the future. Our Company may also, from time to time, pay interim dividends.

There is no guarantee that any dividends will be declared or paid in the future. Future dividends, if any, shall depend on various factors such as revenues, profits, cash flow, financial condition, contractual restrictions, and capital requirements of our Company and regulatory requirements. Additionally, restrictive covenants under the loans or financing arrangements that our Company has availed or may avail in the future or enter into to finance our fund requirements for our business activities may impact our ability to pay dividends. For further details, see "*Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon regulatory stipulations, our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.*" and "*Financial Indebtedness*" on pages 49 and 418, respectively.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our "Restated Financial Information" on page 301 as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 187 and 381, respectively. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 301. Unless stated otherwise, the figures for the three months ended June 30, 2022 and June 30, 2023 have been presented on an un-annualized basis and are not indicative of our Company's annual performance. Accordingly, these are not comparable with the figures for a complete Fiscal.

Certain non-GAAP measures presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other 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 financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other 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 statistical information of similar nomenclature that may be computed and presented by banks or other financial institutions in India or elsewhere. Other companies may calculate the non-GAAP Measures differently from us, limiting its utility as a comparative measure.

Significant Financial Metrics

The following table sets forth selected financial metrics, including information relating to the return on equity and assets, for our Company:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages, ratios and per share data)				
Profit/ (Loss) After Tax for the period/ year	161.01	139.30	2,234.28	(86.92)	1,127.25
Pre Provision Operating Profit(1)	3,295.98	4,262.86	5,846.10	1,078.17	2,567.41
Pre Provision Operating Profit Growth (%)	(18.14)%	29.34%	37.14%	6.17%	138.13%
AUM(2)	59,846.18	70,021.83	100,408.93	70,125.32	101,405.76
On-books Portfolio(3)	51,266.02	57,556.93	89,776.25	58,503.81	85,309.11
Off-balance sheet exposure(4)	8,580.16	12,464.90	10,632.68	11,621.51	16,096.65
Provisions against impairment of financial instruments(5)	3,414.49	3,537.44	2,515.49	4,724.19	2,166.50
Net Loan Portfolio(6)	47,851.53	54,019.49	87,260.76	53,779.62	83,142.61
Average AUM(7)	57,436.29	64,934.01	85,215.38	70,073.57	100,907.34
AUM growth(8)	8.76%	17.00%	43.40%	15.86%	44.61%
Total Assets(9)	58,499.54	68,236.74	101,915.88	64,797.09	100,822.68
Average Total Assets(10)	58,807.72	63,368.14	85,076.31	66,516.92	101,369.28
Net Worth(11)	10,557.63	10,708.49	15,440.08	10,611.51	18,049.23
Average Net Worth(12)	10,476.41	10,633.06	13,074.29	10,660.00	16,744.66
AUM/ Net Worth(13)	5.67	6.54	6.50	6.61	5.62
Return on Net Worth(14)	1.53%	1.30%	14.47%	(0.82)%	6.25%
Total Borrowings(15)	46,741.68	55,587.61	84,260.95	51,993.70	79,410.95
Average Total Borrowings(16)	45,874.09	51,164.65	69,924.28	53,790.66	81,835.95
Debt to equity ratio(17)	3.77	4.45	5.10	4.56	4.00
Return on Total Assets (%)(18)	0.27%	0.22%	2.63%	(0.13%)	1.11%
Return on Equity (%)(19)	1.54%	1.31%	17.09%	(0.82%)	6.73%
Basic Earnings Per Equity Share(20)*	1.01	0.87	12.84	(0.54)	5.99
Diluted Earnings Per Equity Share(20)*	1.01	0.87	12.84	(0.54)	5.99
Net Asset Value Per Equity Share(21)	198.04	200.87	246.49	199.05	270.36
Restructured portfolio(22)	2,047.80	6,007.86	1,611.60	5,552.39	55.83
Ratio of restructured portfolio to On-Books Portfolio (%)	4.00%	10.44%	1.80%	9.49%	0.07%
Assigned loans(23)	8,580.16	12,464.90	10,632.68	11,621.51	16,096.65
Ratio of assigned loans to On- Books Portfolio (%)	16.74%	21.66%	11.84%	19.86%	18.87%

**Basic and Diluted Earnings per Equity Shares computed for the three months ended June 30, 2022 and June 30, 2023 are unannualized figures.*

Notes:

(1) Pre Provision Operating Profit represents the sum of profit/ (loss) before tax for the relevant periods and impairment on financial instruments for such periods.

(2) AUM represents aggregate of On- Books Portfolio or on book portfolio and assets pertaining to direct assignment and securitisation as of the last day of the relevant period.

(3) On-books Portfolio, represents aggregate of future principal outstanding, overdue principal outstanding held in our books as on the last day of the relevant period.

(4) Off-balance sheet exposure means direct assignment portfolio without any recourse with banks and financial institutions.

(5) Provision against impairment of financial instrument represents the carrying amount of provisions for impairment of financial instruments as per our Restated Financial Information.

(6) Net Loan Portfolio represents On- Books Portfolio reduced by ECL Provision for the relevant period.

(7) Average AUM represents the simple average of AUM (for calculation of average, refer to Note 24 below) as of the last day of the relevant period and our AUM of the last day of the previous period. It is calculated as the sum of the opening AUM of each period and the closing AUM of each period, divided by two.

(8) AUM growth represent the percentage of change in AUM as of the last day of the relevant period and that as of the last day of the previous period.

(9) Total Assets represents total assets as of the last day of the relevant period.

(10) Average Total Assets represents the simple average of our total assets (for calculation of average, refer to Note 24 below).

(11) Net Worth represents the sum of equity share capital and other equity as of the last day of the relevant period.

(12) Average Net Worth represents the simple average of Net Worth (for calculation of average, refer to Note 24 below).

(13) AUM/ Net Worth is calculated as AUM as of the last day of the relevant period, divided by Net Worth as of the last day of the relevant period.

(14) Return on Net Worth represents profit/ (loss) for the relevant period divided by the Net Worth as of the last day of the relevant period.

(15) 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.

(16) Average Total Borrowings is the simple average of our Total Borrowings outstanding less cash and cash equivalent (for calculation of average, refer to Note 24 below).

(17) Debt to equity ratio represents our total borrowings less cash and cash equivalents divided by total equity attributable to shareholders as of the last day of the relevant period. Total borrowings represents the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant period.

(18) Return on Total Assets is calculated as the profit/ (loss) after tax for the relevant period as a percentage of Average Total Assets in such period (for calculation of average, refer to Note 24 below).

(19) Return on Equity is calculated as the profit/ (loss) after tax for the relevant period as a percentage of Average Net Worth in such period (for calculation of average, refer to Note 24 below).

(20) 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).

(21) Net Asset Value per equity share is Net Worth as of the last day of the relevant period divided by number of equity shares outstanding as of the last day of the relevant period.

(22) Restructured portfolio represents the outstanding portfolio held by our Company as on the last day of the relevant year which have been restructured in accordance with the resolution plan implemented by us pursuant to the Resolution Framework for COVID-19-related stress as per RBI circular dated May 5, 2021, as per the Restated Financial Information.

(23) Assigned loans represent the loan portfolio outstanding on the last day of the relevant year which have transferred by our Company by way of assignment.

(24) Average, where applicable, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding year. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.

Significant Operational Metrics – Overall

The following table sets forth certain operational metrics for our Company:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
AUM (₹ million)(1)	59,846.18	70,021.83	100,408.93	70,125.32	101,405.76
Number of loans disbursed	12,32,973	22,02,606	38,88,530	6,34,919	9,30,209
Gross disbursements (₹ million)(2)	36,052.30	85,396.73	192,481.21	34,325.82	48,299.69
Number of active borrowers(3)	2,409,908	2,573,902	3,340,185	2,598,569	3,494,877
Number of active loan accounts(4)	3,767,226	3,899,514	4,620,361	3,790,193	4,799,158
Number of branches(5)	1,062	1,525	1,684	1,540	1,738

Notes:

(1) AUM represents aggregate of On- Books Portfolio and assets pertaining to direct assignment and securitisation as of the last day of the relevant period.

(2) Gross disbursements represents the aggregate of all loan amounts extended to our borrowers in the relevant period.

(3) Number of active borrowers refers to our borrowers who had an active loan account as of the last day of the relevant period.

(4) Number of active loan accounts represents the aggregate number of all loan assets under management which includes loan assets held by our Company as of the last day of the relevant period.

(5) Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.

Significant Operational Metrics – Microfinance loans

The following table sets forth certain operational metrics for our microfinance loan portfolio:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
Number of microfinance loans disbursed	1,231,485	1,697,883	2,257,509	272,891	513,843

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
Gross disbursements – microfinance loans (₹ million)[(1)]	35,697.50	51,869.04	83,973.30	10,983.66	18,143.19
Disbursement growth – microfinance loans (%)[(2)]	(23.63)%	45.30%	61.89%	29.58%	65.18%
Number of active borrowers – microfinance loans[(3)]	2,408,503	2,537,031	3,245,210	2,547,603	3,388,555
Number of active loan accounts – microfinance loans[(4)]	3,765,734	3,851,871	4,499,693	3,722,819	4,661,283
Active borrowers growth – microfinance loans(%)[(5)]	1.78%	5.34%	27.91%	5.37%	33.01%
Active loan accounts growth – microfinance loans	(0.28%)	2.29%	16.82%	0.52%	25.21%
Ratio of amounts disbursed to the number of loans disbursed – microfinance loans[(6)]	28,987.36	30,549.24	37,197.33	40,249.26	35,308.82
Number of branches – microfinance loans	1,025	1,203	1,489	1,203	1,500

Notes:

(1) *Gross disbursements – microfinance loans represents the aggregate of all microfinance loan amounts extended to our borrowers in the relevant period.*

(2) *Disbursement growth – microfinance loans represents growth in microfinance loan disbursements for the relevant period as a percentage of microfinance loan disbursements for the previous period.*

(3) *Number of active borrowers – microfinance loans refers to our microfinance loan borrowers who had an active microfinance loan account as of the last day of the relevant period.*

(4) *Number of active loan accounts – microfinance loans represents the aggregate number of all microfinance loan assets under management which includes microfinance loan assets held by our Company as of the last day of the relevant period.*

(5) *Number of active borrowers growth – microfinance loans represents growth in the number of microfinance loan borrowers as of the last day of the relevant period as a percentage of the number of microfinance loan borrowers as of the last day of the previous period.*

(6) *Ratio of amounts disbursed to the number of loans disbursed – microfinance loans represents the gross microfinance loan disbursements for the relevant period divided by the number of microfinance loans disbursed in the relevant period.*

(7) *Number of branches – microfinance loans represents the aggregate number of microfinance loan branches of our Company as of the last day of relevant period, and includes 283 hybrid branches as of March 31, 2023 and 294 hybrid branches as of June 30, 2023.*

Financial Ratios and Other Financial Metrics

The following table sets forth certain financial ratios and other financial metrics for our Company:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and ratios)				
Revenue from Operations	10,529.70	13,678.90	17,151.95	3,606.42	6,370.63
Interest Income[(1)]	9,576.29	11,930.32	15,452.38	3,270.37	5,737.12
Net Interest Income[(2)]	5,000.88	6,202.39	9,153.91	1,876.14	3,564.90
Other Operating Income[(3)]	109.92	466.98	662.62	231.61	82.19
Other Income[(4)]	242.15	440.00	440.81	7.32	146.16
DA income[(5)]	714.80	1,169.72	1,036.95	104.44	551.32
Total Income	10,771.85	14,118.90	17,592.76	3,613.74	6,516.79
Net Total Income[(6)]	6,196.44	8,390.97	11,294.29	2,219.51	4,344.57
Finance Cost	4,575.41	5,727.93	6,298.47	1,394.23	2,172.22
Operating Expenses[(7)]	2,900.46	4,128.11	5,448.19	1,141.34	1,777.16
Operating Expenses/ Average AUM (%)[(8)]	5.05%	6.36%	6.39%	1.63%	1.76%
Operating Expenses/ Total Income (%)	26.93%	29.24%	30.97%	31.58%	27.27%
Depreciation, amortization	118.37	352.35	339.71	126.10	103.13
Impairment of financial instruments	2,998.09	4,068.22	2,736.84	1,186.76	960.59
Total expenses	10,473.95	13,924.26	14,483.50	3,722.33	4,909.97
Profit/ (Loss) Before Tax for the period/ year	297.90	194.64	3,109.26	(108.59)	1,606.82
Profit/ (Loss) After Tax for the period/ year	161.01	139.30	2,234.28	(86.92)	1,127.25
Credit Cost[(9)]	2,998.09	4,068.22	2,736.84	1,186.76	960.59
Total Interest-earning Assets[(10)]	54,341.50	60,855.38	91,309.15	58,030.47	87,268.11
Average Interest-earning Assets[(11)]	55,550.30	57,598.44	76,082.26	59,442.93	89,288.63
Average Interest-bearing Liabilities[(12)]	45,639.09	51,164.65	69,924.28	53,790.66	81,835.95
Credit Cost/ Average Total Assets (%)[(13)]	5.10%	6.42%	3.22%	1.78%	0.95%
Impairment on loan portfolio/ Average On- Books Portfolio (%)[(14)]	6.27%	7.48%	3.72%	2.05%	1.10%
Cost to Income Ratio (%)[(15)]	46.81%	49.20%	48.24%	51.42%	40.91%
PAR 30[(16)]	4,301.53	7,423.67	4,163.84	7,701.29	3,129.54

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and ratios)				
PAR 30 (%)[17]	8.39%	12.90%	4.64%	13.16%	3.67%
PAR 90[18]	908.68	960.80	2,415.66	4,529.68	2,434.87
PAR 90 (%) [19]	1.77%	1.67%	2.69%	7.74%	2.85%
Gross NPA[20]	908.68	960.80	2,519.07	4,529.78	2,468.87
Gross NPA Ratio (%)[21]	1.77%	1.67%	2.81%	7.74%	2.89%
NPA Provision[22]	906.86	789.68	1,507.94	3,477.13	1,383.25
Net NPA[23]	1.82	171.12	1,011.13	1,052.65	1,085.62
Net NPA Ratio (%)[24]	0.00%	0.30%	1.15%	1.91%	1.29%
Provision Coverage Ratio (%)[25]	99.80%	82.19%	59.86%	76.76%	56.03%
Incremental borrowings[26]	30,304.40	40,798.20	60,830.65	5,000.00	9,572.24

Notes:

(1) *Interest Incomes include interest income on loans and interest on deposit from banks as per our restated financial statements.*
(2) *Net Interest Income represents Interest Income less Finance Costs, for the relevant period.*
(3) *Other operating income represents bad debt collection for the relevant period*
(4) *Other income represents referral fee and miscellaneous income.*
(5) *DA Income represents Net Gain on derecognition of financial instruments under amortised cost for the relevant period*
(6) *Net Total Income represents Total Income less finance cost for the relevant period*
(7) *Operating Expenses represents employee benefits expense, depreciation and amortization expense, interest on lease liabilities and other expenses for the relevant period.*
(8) *Operating Expenses to Average AUM represents operating expenses for the relevant period upon the simple average of our AUM (for calculation of average, refer to Note 27 below).*
(9) *Credit Cost represents impairment loss (including loss on derecognition) allowance on financial instruments as per Ind AS 109 for the relevant period.*
(10) *Total Interest-earning Assets represents loans balance, loan and balances with banks in fixed deposit accounts.*
(11) *Average Interest-earning Assets represent the simple average of total interest-earning assets (for calculation of average, refer to Note 27 below).*
(12) *Average Interest-bearing Liabilities is the simple average of our total interest-bearing liabilities (which comprises Total Borrowings) (for calculation of average, refer to Note 27 below).*
(13) *Credit Cost to Average Total Assets represents our Credit Cost for a period to the Average Total Assets for the period (for calculation of average, refer to Note 27 below).*
(14) *Impairment on loan portfolio / Average On- Books Portfolio represents impairment on financial instruments for the relevant period as a percentage of average loans to borrowers for such period (for calculation of average, refer to Note 27 below).*
(15) *Cost to Income Ratio represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total income less finance costs for the relevant period.*
(16) *PAR 30 represents the aggregate of Stage II assets and Stage III assets held in our books as of the last day of the relevant year. Stage II assets (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. Stage III assets (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.*
(17) *PAR 30 (%) represents PAR 30 assets, as a percentage of our On- Books portfolio assets as of the last day of the relevant period.*
(18) *PAR 90 represents the portfolio of Stage III assets held in our books as of the last day of the relevant period excluding portfolio added to GNPA due to 'One Borrower One Classification' norms under the Income Recognition, Asset Classification and Provisioning norms.*
(19) *PAR 90 (%) represents PAR 90 assets, as a percentage of our total assets as of the last day of the relevant period*
(20) *Gross NPA represents On- Books Portfolio which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.*
(21) *Gross NPA Ratio (%) represents the Gross NPA to the On- Books Portfolio as of the last day of the relevant period.*
(22) *NPA provision represents provision against accounts identified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.*
(23) *Net NPA represents Gross NPA reduced by NPA provision made against these loans as of the last day of relevant reporting period.*
(24) *Net NPA Ratio (%) represents Net NPA to the On-book Portfolio reduced by ECL on NPAs as of the last day of the relevant period.*
(25) *Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.*
(26) *Incremental Borrowings represents borrowings (including collateralized borrowings) during the period.*
(27) *Average, where applicable, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding year. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.*

Return Ratios

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(Percentages)				
Total Income/ Average AUM (%)[1]	18.75%	21.74%	20.65%	5.16%	6.46%
Finance Costs/ Average AUM (%)[2]	7.97%	8.82%	7.39%	1.99%	2.15%
Net Income/ Average AUM (%)[3]	10.79%	12.92%	13.25%	3.17%	4.31%
Opex Cost/Average AUM[4]	5.05%	6.36%	6.39%	1.63%	1.76%
Credit Cost/ Average AUM[5]	5.22%	6.27%	3.21%	1.69%	0.95%
Profit Before Tax/ Average AUM (%)[6]	0.52%	0.30%	3.65%	(0.15%)	1.59%
Profit After Tax/ Average AUM (%)[7]	0.28%	0.21%	2.62%	(0.12%)	1.12%
Return on Total Assets (%)[8]	0.27%	0.22%	2.63%	(0.13%)	1.11%
Return on Equity (%)[9]	1.54%	1.31%	17.09%	(0.82%)	6.73%

Notes:

(1) *Total Income to Average AUM represents sum of revenue from operations and other income for the period to the Average AUM for the period (for calculation of average, refer to Note 10 below).*

(2) *Finance Cost to Average AUM represents our Finance Cost for the period to the Average AUM for the period (for calculation of average, refer to Note 10 below).*
(3) *Net Income to Average AUM represents the difference between Total Income and Finance Costs for the period to the Average AUM for the period (for calculation of average, refer to Note 10 below).*
(4) *Opex Cost to Average AUM represents our operating expenses for a period to the Average AUM for the period (for calculation of average, refer to Note 10 below).*
(5) *Credit Cost to Average AUM represents our Credit Cost for a period to the Average AUM for the period (for calculation of average, refer to Note 10 below).*
(6) *Profit Before Tax to Average AUM represents our profit/ (loss) before tax for a period to the Average AUM for the period (for calculation of average, refer to Note 10 below).*
(7) *Profit After Tax to Average AUM represents our profit/ (loss) after tax for a period to the Average AUM for the period (for calculation of average, refer to Note 10 below).*
(8) *Return on Total Assets is calculated as the profit/ (loss) after tax for the relevant period as a percentage of Average Total Assets in such period (for calculation of average, refer to Note 10 below).*
(9) *Return on Equity is calculated as the profit/ (loss) after tax for the relevant period as a percentage of Average Net Worth in such period (for calculation of average, refer to Note 10 below).*
(10) *Average, where applicable, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding year. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.*

Yields, Spreads and Margins

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022*	2023*
	(Percentages)				
Yield on Average On- Books Portfolio (%)(1)	19.46%	21.57%	20.42%	5.50%	6.44%
Yield on Quarterly Average On- Books Portfolio (%)(2)	20.99%	20.65%	22.04%	5.50%	6.44%
Product Yield on Quarterly Average – Microfinance loans (%)(3)	20.98%	20.73%	22.19%	5.57%	6.59%
Product Yield on Quarterly Average – Loan against Gold (%)(3)	2.57%	15.48%	19.66%	4.11%	4.86%
Average Cost of Borrowings (%)(4)	9.97%	11.20%	9.01%	2.59%	2.65%
Spread (%)(5)	9.49%	10.38%	11.41%	2.91%	3.79%
Net Interest Margin (%)(6)	8.71%	9.55%	10.74%	2.68%	3.53%
Incremental Cost of Borrowings (%)(7)	9.90%	9.35%	9.35%	7.66%	9.75%

Notes:
(1) *Yield on Average On- Books Portfolio represents the ratio of interest income on loan assets for a period to the average of On- Books Portfolio (for calculation of average, refer to Note 8 below).*
(2) *Yield on Quarterly Average On- Books Portfolio represents the ratio of interest income on loan assets for the relevant fiscal period, if applicable, expressed as a percentage of the Quarterly Average On- Books Portfolio. Quarterly Average is the average of five quarters in respect of year ending March 31 and two quarters for the three months ending June 30.*
(3) *Product Yield on Quarterly Average On- Books Portfolio represents the ratio of interest income for the relevant product loan assets for the relevant fiscal period expressed as a percentage of the Quarterly Average On- Books Portfolio. Quarterly Average is the average of five quarters in respect of year ending March 31 and two quarters for the three months ending June 30.*
(4) *Average Cost of Borrowings represents finance cost (including collateralized borrowings) for the relevant period as a percentage of Average Borrowings in such period.*
(5) *Spread represents average yield on On- Books Portfolio less average cost of borrowings including collateralized borrowings (for calculation of average, refer to Note 8 below).*
(6) *Net Interest Margin represents our net interest income on the loans for a period to the average AUM for the period, represented as a percentage (for calculation of average, refer to Note 8 below).*
(7) *Incremental Cost of Borrowing represents weighted average rate of interest on fresh borrowings in the relevant period.*
(8) *Average, where applicable, has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding quarter. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.*

Liabilities

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Financial liabilities					
Derivative financial instruments	13.53	-	-	-	-
Other payables	247.06	272.45	178.70	192.12	222.16
Debt securities	12,190.54	13,854.34	11,584.79	11,239.41	8,820.78
Borrowings (other than debt securities)	32,403.45	38,541.23	68,736.05	38,080.18	65,226.39
Subordinated liabilities	2,147.69	3,192.04	3,940.11	2,674.11	5,363.78
Other financial liabilities	657.30	1,376.34	1,741.30	1,786.65	2,821.66
Sub-total	**47,659.57**	**57,236.40**	**86,180.95**	**53,972.47**	**82,454.77**
Non-financial liabilities					

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Current tax liabilities	-	-	-	-	-
Provisions	150.68	149.76	104.80	84.36	149.98
Other non-financial liabilities	131.66	142.09	190.05	128.75	168.70
Sub-total	**282.34**	**291.85**	**294.85**	**213.11**	**318.68**
Total Liabilities	47,941.91	57,528.25	86,475.80	54,185.58	82,773.45

On- Books Portfolio

Asset Category	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
On-Books Portfolio(1)	**51,266.02**	**57,556.93**	**89,776.25**	**58,503.81**	**85,309.11**
Microfinance loans	50,828.60	54,064.88	82,339.39	53,839.34	77,007.82
Loan against Gold	25.34	3,005.69	7,053.20	4,208.14	7,895.77
MSME Loans	412.08	486.36	383.66	456.33	405.52
Secured credit exposure	0.05%	5.22%	7.86%	7.19%	9.26%
Unsecured credit exposure	99.95%	94.78%	92.14%	92.81%	90.74%

Note:

(1) On-Books Portfolio represents aggregate of future principal outstanding, overdue principal outstanding held in our books as of the last day of the relevant period.

Average On- Books Portfolio

Asset Category	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Average On- Books Portfolio(1)	44,783.88	54,411.47	73,666.59	58,030.37	87,542.68
Microfinance loans	47,491.63	52,446.73	68,202.13	53,952.11	79,673.60
Loan against Gold	12.67	1,515.52	5,029.45	3,606.92	7,474.49
MSME Loans	279.58	449.22	435.01	471.35	394.59

Note:

(1) The average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding year. For computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.

Asset Quality

We follow a three-stage model for impairment based on changes in credit quality since initial recognition, as set forth below:

- Stage 1 (0-30 days): Includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date;

- Stage 2 (31-90 days): Includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date;

- Stage 3 (> 90 days): Includes loan assets that have objective evidence of impairment at the reporting date.

As an MFI, we are required to adopt the asset classification and provisioning norms as set forth below:

(i) A "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;

(ii) "Special mention accounts 0" means the accounts where the principal or interest payment is overdue for less than 31 days;

(iii) "Special mention accounts 1" means the accounts where the principal or interest payment is overdue between 31 to 60 days;

(iv) "Special mention accounts 2" means the accounts where the principal or interest payment is overdue between 61 to 90 days; and

(v) A "non-performing asset" means an asset for which interest or principal payment has remained overdue for a period of 91 days or more.

For our assets, ECL allowance is as per our ECL model, in compliance with RBI Circular No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

Provisioning and Write-Offs

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
On- Books Portfolio	51,266.02	57,556.93	89,776.25	58,503.81	85,309.11
Gross NPAs(1)	908.68	960.80	2,519.07	4,529.78	2,468.87
NPA Provision(2)	906.86	789.68	1,507.94	3,477.13	1,383.25
Net NPAs(3)	1.82	171.12	1,011.13	1,052.65	1,085.62
Bad Debts Write-off(4)	1,434.61	3,945.28	1,120.59	-	515.26
Bad Debts Recovery(5)	109.92	466.98	662.62	231.61	82.19

Notes:

(1) Gross NPA represents On- Books Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning norms issued and modified by RBI from time to time.

(2) NPA provision represents provision against accounts identified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.

(3) Net NPA represents Gross NPA reduced by NPA provision made against these loans as of the last day of relevant reporting period.

(4) Bad Debts Write-off includes bad debts written off during the relevant periods.

(5) Bad Debts Recovery represents write off collections during the relevant period.

Stage Wise Loans – Details

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
On- Books Portfolio					
1. Stage 1(1)	46,964.49	50,133.26	85,612.41	50,802.52	82,179.56
2. Stage 2(2)	3,392.85	6,462.88	1,748.18	3,171.61	694.67
3. Stage 3(3)	908.68	960.80	2,415.66	4,529.68	2,434.87
4. Total On- Books Portfolio	51,266.02	57,556.93	89,776.25	58,503.81	85,309.11
ECL Allowance – Loans					
5. Stage 1	960.05	739.35	799.56	662.44	738.53
6. Stage 2	1,547.57	1,910.88	161.08	487.10	61.35
7. Stage 3	906.87	887.21	1,554.85	3,574.65	1,366.62
8. Total ECL Allowance Loans	3,414.49	3,537.44	2,515.49	4,724.19	2,166.50
Net Loan Portfolio					
9. Stage 1 (9=1-5)	46,004.44	49,393.91	84,812.85	50,140.08	81,441.03
10. Stage 2 (10=2-6)	1,845.28	4,552.00	1,587.10	2,684.51	633.32
11. Stage 3 (11=3-7)	1.81	73.59	860.81	955.03	1,068.25
12. Total Net Loan Portfolio – Loans (12=4-8)	47,851.53	54,019.49	87,260.76	53,779.62	83,142.61
13. Gross NPA to On- Books Portfolio (%)(4)	1.77%	1.67%	2.69%	7.74%	2.85%
14. Gross NPA to AUM (%)(5)	1.52%	1.37%	2.41%	6.46%	2.40%

Notes:

*For further information, see "Risk Factors – The quality of our portfolio may be impacted due to higher levels of non-performing assets ("**NPAs**") and our business may be adversely affected if we are unable to create adequate provisions for such higher levels of NPAs." and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations and Financial Condition – Asset quality, NPAs and provisioning requirements" on pages 26 and 387, respectively.*

*(1) Stage 1 Loans refers to less than or equal to 30 Day Past Due ("**DPD**") accounts other than restructured and NPA accounts which are less than 30 DPD. It also excludes any loan accounts which has been tagged as loss account.*

(2) Stage 2 Loans refers to 31-90 DPD and all loans restructured under the Resolution Framework which allowed a one-time restructuring of loans impacted by COVID-19 pandemic which are 90 DPD or below.

(3) Stage 3 Loans refers to Non-Performing Assets as defined in the master circular dated July 1, 2015 "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" issued by RBI, as amended.

(4) Gross NPA ratio (%) to On- Books Portfolio represents the closing balance of Stage 3 loan to the On- Books Portfolio as of the last day of the relevant period and includes the additional impairment identified as per IRAC provisions

(5) Gross NPA ratio (%) to AUM represents the closing balance of Stage 3 Loans to AUM as of the last day of the relevant period and includes the additional impairment identified as per IRAC provisions.

Stage wise loans – Microfinance loans

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Stage 1	46,539.60	46,711.44	78,351.23	46,219.81	74,134.56
Stage 2	3,390.91	6,419.55	1,688.57	3,128.22	608.78
Stage 3(1)	898.09	933.89	2,299.59	4,491.60	2,264.50
On-Books Portfolio - Microfinance loans	**50,828.60**	**54,064.88**	**82,339.39**	**53,839.33**	**77,007.84**
Microfinance loans (%)					
Stage 1(2)	91.56%	86.40%	95.16%	85.85%	96.27%
Stage 2(3)	6.67%	11.87%	2.05%	5.81%	0.79%

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Stage 3[(4)]	1.77%	1.73%	2.79%	8.34%	2.94%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Notes:
1. *Stage 3 represents Gross NPA of Microfinance loans as of the last day of the relevant period.*
2. *Stage 1% represents Stage 1 of Microfinance loans to On- Books Portfolio of Microfinance loans of our Company as of the last day of relevant period.*
3. *Stage 2% represents Stage 2 of Microfinance loans to On- Books Portfolio of Microfinance loans of our Company as of the last day of relevant period.*
4. *Stage 3% represents Stage 3 / Gross NPA of Microfinance loans to On- Books Portfolio of Microfinance loans of our Company as of the last day of relevant period.*

Stage wise loans – Loan against Gold

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Stage 1	25.34	2,982.62	6,967.22	4,187.26	7,740.01
Stage 2	-	21.48	36.13	16.82	62.01
Stage 3[(1)]	-	1.59	49.85	4.06	93.75
On-Books Portfolio – Loan against Gold	25.34	3,005.69	7,053.20	4,208.14	7,895.77
Loan against Gold (%)					
Stage 1[(2)]	100.00%	99.23%	98.78%	99.50%	98.03%
Stage 2[(3)]	-	0.71%	0.51%	0.40%	0.79%
Stage 3[(4)]	-	0.05%	0.71%	0.10%	1.19%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Notes:
1. *Stage 3 represents Gross NPA of Loan against Gold as of the last day of the relevant period.*
2. *Stage 1% represents Stage 1 of Loan against Gold to On- Books Portfolio of Loan against Gold of our Company as of the last day of the relevant period.*
3. *Stage 2% represents Stage 2 of Loan against Gold to On- Books Portfolio of Loan against Gold of our Company as of the last day of the relevant period.*
4. *Stage 3% represents Stage 3 / Gross NPA of Loan against Gold to On- Books Portfolio of Loan against Gold of our Company as of the last day of the relevant period.*

The following table sets forth information regarding the provisioning of our Company's loans as of the dates indicated:

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in percentages)				
Stage 1	2.04%	1.47%	0.93%	1.30%	0.90%
Stage 2	45.61%	29.57%	9.21%	15.36%	8.83%
Stage 3	99.80%	92.34%	64.37%	78.92%	56.13%
Impairment allowance coverage ratio[(1)]	375.76	368.18	104.13	104.29	88.98

Notes:
1. *Impairment allowance coverage ratio is computed as the ratio of total impairment allowance on On- Books Portfolio to Stage 3 assets for the relevant period and includes the additional impairment identified as per IRAC provisions.*

Impairment on financial instruments

We have adopted Ind AS, which requires impairment on financial instruments to be computed using the ECL methodology. Impairment on financial instruments calculated under the ECL methodology may differ materially from calculated under the Income Recognition, Asset Classification and Provisioning ("**IRACP**") norms applicable under Indian GAAP.

The following table sets forth the difference between impairment on financial instruments calculated using the ECL methodology and provisions calculated using the IRACP norms as of June 30, 2023:

Particulars	As of June 30, 2023
	(₹ million)
Total loss allowances (provisions) as required under Ind AS 109 (A)	2,166.50
Provisions required as per IRACP norms (B)	999.51
Difference between total loss allowances (provisions) as required under Ind AS 109 and provisions required as per IRACP norms ((A)-(B))	1,166.99

Product-wise Gross NPA

Product	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Microfinance loans	898.09	933.89	2,299.59	4,491.60	2,264.47
Loans against Gold	0.00	1.59	49.85	4.06	93.75
MSME Loans	10.58	25.32	66.22	34.03	76.65

Product	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Total Gross NPA	**908.68**	**960.80**	**2,415.66**	**4,529.69**	**2,434.87**

Product-wise Gross NPA (%)

Product	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(Percentage of AUM)				
Microfinance loans	98.84%	97.20%	95.20%	99.16%	93.00%
Loans against Gold	0.00%	0.17%	2.06%	0.09%	3.85%
MSME Loans	1.16%	2.64%	2.74%	0.75%	3.15%
Total Gross NPA	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Product Wise AUM (in terms of Amount)

Product	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Microfinance loans	59,408.76	66,529.78	92,972.07	65,460.84	93,104.47
Loan against Gold	25.34	3,005.69	7,053.20	4,208.14	7,895.77
MSME Loans	412.08	486.36	383.66	456.33	405.52
Total	**59,846.18**	**70,021.83**	**100,408.93**	**70,125.31**	**101,405.76**

Product Wise AUM (%)

Product	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(Percentage of total AUM)				
Microfinance loans	99.27%	95.01%	92.59%	93.35%	91.81%
Loan against Gold	0.04%	4.29%	7.02%	6.00%	7.79%
MSME Loans	0.69%	0.69%	0.38%	0.65%	0.40%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Microfinance loan Portfolio – AUM

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in million, except percentages)				
AUM	59,408.76	66,529.78	92,972.07	65,460.84	93,104.47
0 days AUM(1)	49,977.24	53,359.62	86,943.86	53,689.83	88,167.43
0 days AUM(2) (%)	84.12%	80.20%	93.52%	82.02%	94.70%
30 days + AUM(3)	6,045.46	9,518.06	5,506.77	9,407.35	4,132.03
30 days + AUM(4) (%)	10.18%	14.31%	5.92%	14.37%	4.44%
90 days + AUM(5)	1,505.55	2,237.93	3,654.42	5,877.21	3,371.92
90 days + AUM(6) (%)	2.53%	3.36%	3.93%	8.98%	3.62%

*(1) 0 days AUM refers to accounts that are 0 Days Past Due ("**DPD**").*
(2) 0 days AUM (%) to refers 0 DPD to the AUM of Microfinance loans as of the last day of the relevant period as a percentage.
(3) 30 days + AUM refers to accounts that are more than 30 DPD.
(4) 30 days + AUM (%) refers 30+ DPD to the AUM of Microfinance loans as of the last day of the relevant period as a percentage.
(5) 90 days + AUM refers to accounts that are more than 90 DPD.
(6) 90 days + AUM (%) refers 90+ DPD to the AUM of Microfinance loans as of the last day of the relevant period as a percentage.

Gold Loan Portfolio – AUM

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in million, except percentages)				
AUM	25.34	3,005.69	7,053.20	4,208.14	7,895.77
0 days AUM(1)	25.34	2,917.64	6,787.44	4,111.32	7,580.00
0 days AUM(2) (%)	100.00%	97.07%	96.23%	97.70%	96.00%
30 days + AUM(3)	-	23.07	85.98	20.88	155.76
30 days + AUM(4) (%)	-	0.77%	1.22%	0.50%	1.97%
90 days + AUM(5)	-	1.59	49.85	4.06	93.75
90 days + AUM(6) (%)	-	0.05%	0.71%	0.10%	1.19%

*(1) 0 days AUM refers to accounts that are 0 Days Past Due ("**DPD**").*
(2) 0 days AUM (%) to refers 0 DPD to the AUM of Microfinance loans as of the last day of the relevant period as a percentage.
(3) 30 days + AUM refers to accounts that are more than 30 DPD.
(4) 30 days + AUM (%) refers 30+ DPD to the AUM of Microfinance loans as of the last day of the relevant period as a percentage.

(5) *90 days + AUM refers to accounts that are more than 90 DPD.*
(6) *90 days + AUM (%) refers 90+ DPD to the AUM of Microfinance loans as of the last day of the relevant period as a percentage.*

Product Wise Disbursement (in terms of Amount)

Product	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Microfinance loans	35,697.50	51,869.04	83,973.30	10,983.66	18,143.19
Loan against Gold	50.53	33,400.35	108,468.75	23,337.39	30,098.73
MSME Loans	304.27	127.34	39.16	4.77	57.77
Total	**36,052.30**	**85,396.73**	**1,92,481.21**	**34,325.82**	**48,299.69**

Product Wise Disbursement (%)

Product	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(Percentage of total Gross Disbursement)				
Microfinance loans	99.02%	60.74%	43.63%	32.00%	37.56%
Loan against Gold	0.14%	39.11%	56.35%	67.99%	62.32%
MSME Loans	0.84%	0.15%	0.02%	0.01%	0.12%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Product Wise Tenure of AUM on Origination

Products	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
Microfinance loans[1]	24 months	24 months	24 months	24 months	24 months
Loan against Gold (in days)	90 to 365 days	90 to 365 days	90 to 365 days	90 to 365 days	90 to 365 days
MSME Loans	12 months to 84 months	12 months to 84 months	12 months to 84 months	12 months to 84 months	12 months to 84 months

Note:
(1) *Microfinance loans (in months) represent tenure of IGP loans, which is our primary microfinance loan product. Other type of loans which are otherwise summarised under the head of microfinance loans such as product loans, medium term loans are not separately indicated.*

Product Wise Average Ticket Size on Disbursement

Product[1]	As of/ For the year ended March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in ₹)				
Microfinance loans	28,987.36	30,549.24	37,197.33	40,249.26	35,308.82
Loan against Gold	63,478.26	66,210.76	66,508.12	64,464.74	72,334.99
MSME Loans	439,689.91	475,162.00	352,801.80	477,000.00	218,806.82

Note:
(1) *Average ticket size is the total amount disbursed during the respective period divided by the total number of disbursement during the same period.*

Product Wise Yields[1]

Product	As of/ For the year ended March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in percentage)				
Microfinance loans	19.46%	21.81%	20.46%	5.57%	6.59%
Loan against Gold	1.03%	12.12%	19.35%	4.11%	4.86%
MSME Loans	21.06%	25.70%	25.97%	7.79%	6.25%

Note:
(1) Yield has been computed as product-wise interest income to average On-books Portfolio for the product. Average has been arrived at by calculating the average of values as of the end of the period for the respective period and as of the end of the immediately preceding year. For example, for computing average for the three months ended June 30, 2023, the value has been calculated as the average of values as on March 31, 2023 and June 30, 2023. For the twelve months ended March 31, 2023, the value has been calculated as the average of values as on March 31, 2023 and March 31, 2022.

Interest Rate on Lending

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in Percentage)				
Floating Rate Lending	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed Rate Lending	100.00%	100.00%	100.00%	100.00%	100.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Geographical Spread of AUM by Region Type - Overall

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM	AUM	% of AUM
	(in ₹ million, except percentages)									
Urban	7,188.31	12.01%	8,243.61	11.77%	12,030.56	11.98%	8,575.16	12.23%	12,160.21	11.99%
Rural	52,657.87	87.99%	61,778.22	88.23%	88,378.36	88.02%	61,550.15	87.77%	89,245.55	88.01%
Total	**59,846.18**	**100.00%**	**70,021.83**	**100.00%**	**100,408.93**	**100.00%**	**70,125.31**	**100.00%**	**101,405.76**	**100.00%**

Geographical Spread of AUM by Region Type – Microfinance loans

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Microfinance loan AUM	% of Microfinance loan AUM	Microfinance loan AUM	% of Microfinance loan AUM	Microfinance loan AUM	% of Microfinance loan AUM	Microfinance loan AUM	% of Microfinance loan AUM	Microfinance loan AUM	% of Microfinance loan AUM
	(in ₹ million, except percentages)									
Urban	6,783.91	11.42%	6,829.12	10.26%	9,396.62	10.11%	6,721.82	10.27%	9,316.86	10.01%
Rural	52,624.85	88.58%	59,700.66	89.74%	83,575.45	89.89%	58,739.02	89.73%	83,787.61	89.99%
Total	**59,408.76**	**100.00%**	**66,529.78**	**100.00%**	**92,972.07**	**100.00%**	**65,460.84**	**100.00%**	**93,104.47**	**100.00%**

Geographical Spread of AUM by Region Type – Loan Against Gold

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Loan against Gold AUM	% of Loan against Gold AUM	Loan against Gold AUM	% of Loan against Gold AUM	Loan against Gold AUM	% of Loan against Gold AUM	Loan against Gold AUM	% of Loan against Gold AUM	Loan against Gold AUM	% of Loan against Gold AUM
	(in ₹ million, except percentages)									
Urban	2.43	9.59%	939.82	31.27%	2,296.31	32.56%	1,408.20	33.46%	2,534.53	32.10%
Rural	22.91	90.41%	2,065.87	68.73%	4,756.89	67.44%	2,799.94	66.54%	5,361.24	67.90%
Total	**25.34**	100.00%	**3,005.69**	**100.00%**	**7,053.20**	**100.00%**	**4,208.14**	**100.00%**	**7,895.77**	**100.00%**

Geographical Spread of Disbursement by Region Type - Overall

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements	Disbursements	% of Disbursements
	(in ₹ million, except percentages)									
Urban	4,051.47	11.24%	14,277.79	16.72%	33,191.15	17.24%	6,451.74	18.80%	9,708.43	20.10%
Rural	32,000.83	88.76%	71,118.94	83.98%	159,290.06	82.76%	27,874.08	81.20%	38,591.20	79.90%
Total	**36,052.30**	**100.00%**	**85,396.73**	**100.00%**	**192,481.21**	**100.00%**	**34,325.82**	**100.00%**	**48,299.68**	**100.00%**

Geographical Spread of Disbursements by Region Type – Microfinance Loans

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Microfinance Loan Disbursements	% of Microfinance Loan Disbursements	Microfinance Loan Disbursements	% of Microfinance Loan Disbursements	Microfinance Loan Disbursements	% of Microfinance Loan Disbursements	Microfinance Loan Disbursements	% of Microfinance Loan Disbursements	Microfinance Loan Disbursements	% of Microfinance Loan Disbursements
	(in ₹ million, except percentages)									
Urban	3,752.25	10.51%	5,032.37	9.70%	8,527.67	10.16%	1,142.99	10.41%	1,734.08	9.56%
Rural	31,945.26	89.49%	46,836.67	90.30%	75,445.63	89.84%	9,840.67	89.59%	16,409.10	90.44%
Total	**35,697.50**	**100.00%**	**51,869.04**	**100.00%**	**83,973.30**	**100.00%**	**10,983.66**	**100.00%**	**18,143.19**	**100.00%**

Geographical Spread of Disbursements by Region Type – Gold Loan

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Loan against Gold Disbursements	% of Loan against Gold Disbursements	Loan against Gold Disbursements	% of Loan against Gold Disbursements	Loan against Gold Disbursements	% of Loan against Gold Disbursements	Loan against Gold Disbursements	% of Loan against Gold Disbursements	Loan against Gold Disbursements	% of Loan against Gold Disbursements
	(in ₹ million, except percentages)									
Urban	4.01	7.94%	9,119.28	27.30%	24,663.48	22.74%	5,303.98	22.73%	7,974.40	26.49%
Rural	46.52	92.06%	24,281.07	72.70%	83,805.27	77.26%	18,033.41	77.27%	22,124.33	73.51%
Total	**50.53**	**100.00%**	**33,400.35**	**100.00%**	**108,468.75**	**100.00%**	**23,337.39**	**100.00%**	**30,098.73**	**100.00%**

Geographical Spread of Borrowers by Region Type – Microfinance Loans

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Number of Borrowers	% of Microfinance Loan Borrowers	Number of Borrowers	% of Microfinance Loan Borrowers	Number of Borrowers	% of Microfinance Loan Borrowers	Number of Borrowers	% of Microfinance Loan Borrowers	Number of Borrowers	% of Microfinance Loan Borrowers
Urban	275,026	11.42%	273,203	10.77%	338,170	10.42%	272,432	10.69%	351,759	10.38%
Rural	2,133,477	88.58%	2,263,828	89.23%	2,907,040	89.58%	2,275,171	89.31%	3,036,796	89.62%
Total	**2,408,503**	**100.00%**	**2,537,031**	**100.00%**	**3,245,210**	**100.00%**	**2,547,603**	**100.00%**	**3,388,555**	**100.00%**

Geographical Spread of Borrowers by Region Type – Loan against Gold

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Number of Borrowers	% of Loan against Gold Borrowers	Number of Borrowers	% of Loan against Gold Borrowers	Number of Borrowers	% of Loan against Gold Borrowers	Number of Borrowers	% of Loan against Gold Borrowers	Number of Borrowers	% of Loan against Gold Borrowers
Urban	33	8.53%	10,224	28.73%	28,234	30.11%	15,132	30.44%	31,563	30.09%
Rural	354	91.47%	25,368	71.27%	65,529	69.89%	34,576	69.56%	73,344	69.91%
Total	**387**	100.00%	**35,592**	**100.00%**	**93,763**	**100.00%**	**49,708**	**100.00%**	**104,907**	**100.00%**

Geographical Spread of Branches by Region Type – Microfinance loans

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Number of Branches	% of Microfinance Loan Branches	Number of Branches	% of Microfinance Loan Branches	Number of Branches	% of Microfinance Loan Branches	Number of Branches	% of Microfinance Loan Branches	Number of Branches	% of Microfinance Loan Branches
Urban	472	46.05%	473	39.32%	474	31.83%	473	39.32%	474	31.60%
Rural	553	53.95%	730	60.68%	1,015	68.17%	730	60.68%	1,026	68.40%
Total*	**1,025**	**100.00%**	**1,203**	**100.00%**	**1,489**	**100.00%**	**1,203**	**100.00%**	**1,500**	**100.00%**

* *Includes 283 branches as of March 31, 2023 and 294 branches as of June 30, 2023 which were hybrid branches and shared with our Loan against Gold portfolio.*

Geographical Spread of Branches by Region Type – Loan against Gold

Region	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Number of Branches	% of Loan against Gold Branches	Number of Branches	% of Loan against Gold Branches	Number of Branches	% of Loan against Gold Branches	Number of Branches	% of Loan against Gold Branches	Number of Branches	% of Loan against Gold Branches
Urban	4	19.05%	111	36.39%	162	35.14%	115	35.94%	206	40.00%
Rural	17	80.95%	194	63.61%	299	64.86%	205	64.06%	309	60.00%
Total*	**21**	**100.00%**	**305**	**100.00%**	**461**	**100.00%**	**320**	**100.00%**	**515**	**100.00%**

* *Includes 283 branches as of March 31, 2023 and 294 branches as of June 30, 2023 which were hybrid branches and shared with our microfinance loan portfolio.*

Overall AUM by State/Territory

Our Company does not disburse loans to borrowers in any country other than in India.

AUM by State/ Territory	As of March 31,						CAGR (March 31, 2021 – March 31, 2023) (%)	As of June 30,			
	2021		2022		2023			2022		2023	
	Amount	Percentage of AUM	Amount	Percentage of AUM	Amount	Percentage of AUM		Amount	Percentage of AUM	Amount	Percentage of AUM
	(₹ million, except percentages)										
Chandigarh	61.64	0.10%	56.09	0.08%	56.70	0.06%	(4.09)%	52.64	0.08%	51.38	0.05%
Delhi	-	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	6.75	0.01%
Haryana	1,141.51	1.91%	1,577.05	2.25%	2,213.40	2.20%	39.25%	1,593.14	2.27%	2,193.23	2.16%
Punjab	1,606.83	2.68%	1,714.19	2.45%	2,537.68	2.53%	25.67%	1,719.53	2.45%	2,527.43	2.49%
Rajasthan	2,947.31	4.92%	4,162.98	5.95%	5,568.73	5.55%	37.46%	4,198.65	5.99%	5,490.85	5.41%
Uttar Pradesh	3,897.12	6.51%	5,914.06	8.45%	7,871.08	7.84%	42.12%	6,148.84	8.77%	7,888.26	7.78%
Uttarakhand	423.25	0.71%	606.57	0.87%	672.55	0.67%	26.06%	625.50	0.89%	658.00	0.65%
North - Total	**10,077.66**	**16.84%**	**14,030.94**	**20.04%**	**18,920.14**	**18.84%**	**37.02%**	**14,338.29**	**20.45%**	**18,815.90**	**18.56%**
Andhra Pradesh	83.86	0.14%	118.13	0.17%	357.35	0.36%	106.43%	185.85	0.27%	485.86	0.48%
Karnataka	5,740.74	9.59%	6,513.41	9.30%	9,165.32	9.13%	26.35%	6,230.42	8.88%	9,105.08	8.98%
Kerala	3,797.87	6.35%	4,165.27	5.95%	5,708.50	5.69%	22.60%	3,946.44	5.63%	5,549.42	5.47%
Puducherry	69.79	0.12%	66.96	0.10%	74.29	0.07%	3.17%	62.89	0.09%	77.17	0.08%

AUM by State/ Territory	As of March 31,						CAGR (March 31, 2021 – March 31, 2023) (%)	As of June 30,			
	2021		2022		2023			2022		2023	
	Amount	Percentage of AUM	Amount	Percentage of AUM	Amount	Percentage of AUM		Amount	Percentage of AUM	Amount	Percentage of AUM
	(₹ million, except percentages)										
Tamil Nadu	12,565.12	21.00%	11,534.58	16.47%	13,665.00	13.61%	4.28%	10,785.23	15.38%	13,964.12	13.77%
Telangana	4.07	0.01%	28.68	0.04%	326.34	0.33%	795.51%	104.45	0.15%	499.06	0.49%
Andaman and Nicobar Islands	-	0.00%	60.03	0.09%	65.38	0.07%	0.00%	58.63	0.08%	70.86	0.07%
South - Total	**22,261.45**	**37.20%**	**22,487.08**	**32.11%**	**29,362.18**	**29.24%**	**14.85%**	**21,373.90**	**30.48%**	**29,751.57**	**29.34%**
Gujarat	1,116.32	1.87%	1,781.62	2.54%	1,804.38	1.80%	27.14%	1,763.66	2.52%	1,754.83	1.73%
Goa	91.35	0.15%	102.24	0.15%	143.80	0.14%	25.46%	94.12	0.13%	142.03	0.14%
Madhya Pradesh	3,682.12	6.15%	4,111.52	5.87%	5,787.64	5.76%	25.37%	4,153.54	5.92%	5,770.38	5.69%
Maharashtra	1,842.02	3.08%	1,943.24	2.78%	3,638.03	3.62%	40.54%	1,947.03	2.78%	3,625.48	3.58%
West - Total	**6,731.81**	**11.25%**	**7,938.62**	**11.34%**	**11,373.84**	**11.33%**	**29.98%**	**7,958.34**	**11.35%**	**11,292.72**	**11.14%**
Assam	279.22	0.47%	554.40	0.79%	1,474.87	1.47%	129.83%	678.86	0.97%	1,617.80	1.60%
Bihar	6,312.65	10.55%	8,824.84	12.60%	12,405.47	12.35%	40.18%	8,824.47	12.58%	12,914.17	12.74%
Chhattisgarh	796.38	1.33%	1,067.47	1.52%	1,482.63	1.48%	36.44%	1,068.12	1.52%	1,454.73	1.43%
Jharkhand	3,106.80	5.19%	3,448.10	4.92%	5,534.80	5.51%	33.47%	3,578.26	5.10%	5,358.58	5.28%
Odisha	2,612.37	4.37%	3,710.43	5.30%	6,440.75	6.41%	57.02%	3,970.80	5.66%	6,552.01	6.46%
Sikkim	25.43	0.04%	27.76	0.04%	55.95	0.06%	48.31%	27.23	0.04%	69.12	0.07%
Tripura	974.97	1.63%	1,068.59	1.53%	1,942.98	1.94%	41.17%	1,082.67	1.54%	2,007.02	1.98%
West Bengal	6,667.44	11.14%	6,863.61	9.80%	11,415.34	11.37%	30.85%	7,224.38	10.30%	11,572.14	11.41%
East - Total	**20,775.26**	**34.71%**	**25,565.19**	**36.51%**	**40,752.77**	**40.59%**	**40.06%**	**26,454.78**	**37.73%**	**41,545.57**	**40.97%**
Grand Total	**59,846.18**	**100.00%**	**70,021.83**	**100.00%**	**100,408.93**	**100.00%**	**29.53%**	**70,125.32**	**100.00%**	**101,405.76**	**100.00%**

Microfinance loan AUM by State/Territory

Microfinance loan AUM by State/ Territory	As of March 31,						CAGR (March 31, 2021 – March 31, 2023) (%)	As of June 30,			
	2021		2022		2023			2022		2023	
	Amount	Percentage of Microfinance Loan AUM	Amount	Percentage of Microfinance Loan AUM	Amount	Percentage of Microfinance Loan AUM		Amount	Percentage of Microfinance Loan AUM	Amount	Percentage of Microfinance Loan AUM
	(₹ million, except percentages)										
Chandigarh	61.64	0.10%	56.09	0.08%	56.70	0.06%	(4.09)%	52.64	0.08%	51.38	0.06%
Haryana	1,141.51	1.92%	1,559.05	2.34%	2,089.56	2.25%	35.30%	1,540.49	2.35%	2,048.67	2.20%
Punjab	1,606.83	2.70%	1,691.36	2.54%	2,396.80	2.58%	22.13%	1,646.92	2.52%	2,383.89	2.56%
Rajasthan	2,947.31	4.96%	4,006.18	6.02%	5,033.07	5.41%	30.68%	3,921.57	5.99%	4,925.88	5.29%
Uttar Pradesh	3,897.12	6.56%	5,711.59	8.59%	7,306.13	7.86%	36.92%	5,854.54	8.94%	7,225.00	7.76%
Uttarakhand	423.25	0.71%	606.57	0.91%	672.55	0.72%	26.06%	625.50	0.96%	658.00	0.71%
North - Total	**10,077.66**	**16.96%**	**13,630.83**	**20.49%**	**17,554.81**	**18.88%**	**31.98%**	**13,641.65**	**20.84%**	**17,292.81**	**18.57%**
Andhra Pradesh		-	-	-	0.96	0.00%	-	-	-	44.06	0.05%
Karnataka	5,468.72	9.21%	6,166.64	9.27%	8,697.27	9.35%	26.11%	5,910.40	9.03%	8,543.27	9.18%
Kerala	3,797.87	6.39%	4,165.27	6.26%	5,708.50	6.14%	22.60%	3,946.44	6.03%	5,549.42	5.96%
Puducherry	69.79	0.12%	66.96	0.10%	74.29	0.08%	3.17%	62.89	0.10%	77.17	0.08%

Microfinance loan AUM by State/ Territory	As of March 31,						CAGR (March 31, 2021 – March 31, 2023) (%)	As of June 30,			
	2021		2022		2023			2022		2023	
	Amount	Percentage of Microfinance Loan AUM	Amount	Percentage of Microfinance Loan AUM	Amount	Percentage of Microfinance Loan AUM		Amount	Percentage of Microfinance Loan AUM	Amount	Percentage of Microfinance Loan AUM
		(₹ million, except percentages)									
Tamil Nadu	12,512.99	21.06%	11,484.40	17.26%	13,630.50	14.66%	4.37%	10,739.12	16.41%	13,908.57	14.94%
Telangana	-	-	-	-	0.96	0.00%	-	-	-	58.94	0.06%
Andaman and Nicobar Islands	-	-	60.03	0.09%	65.38	0.07%	-	58.63	0.09%	70.86	0.08%
South - Total	**21,849.37**	**36.78%**	**21,943.31**	**32.98%**	**28,177.85**	**30.31%**	**13.56%**	**20,717.47**	**31.65%**	**28,252.29**	**30.34%**
Gujarat	1,116.32	1.88%	1,781.62	2.68%	1,796.78	1.93%	26.87%	1,763.66	2.69%	1,738.23	1.87%
Goa	91.35	0.15%	102.24	0.15%	143.80	0.15%	25.46%	94.12	0.14%	142.03	0.15%
Madhya Pradesh	3,682.12	6.20%	4,009.27	6.03%	5,437.62	5.85%	21.52%	4,010.31	6.13%	5,379.50	5.78%
Maharashtra	1,842.02	3.10%	1,943.24	2.92%	3,513.23	3.78%	38.10%	1,947.03	2.97%	3,434.57	3.69%
West - Total	**6,731.81**	**11.33%**	**7,836.37**	**11.78%**	**10,891.43**	**11.71%**	**27.20%**	**7,815.12**	**11.94%**	**10,694.34**	**11.49%**
Assam	278.35	0.47%	251.43	0.38%	822.76	0.88%	71.93%	255.36	0.39%	946.77	1.02%
Bihar	6,310.73	10.62%	8,305.80	12.48%	11,572.98	12.45%	35.42%	8,200.99	12.53%	11,996.08	12.88%
Chhattisgarh	796.38	1.34%	1,067.47	1.60%	1,482.63	1.59%	36.44%	1,068.12	1.63%	1,454.73	1.56%
Jharkhand	3,106.80	5.23%	3,448.10	5.18%	5,534.80	5.95%	33.47%	3,578.26	5.47%	5,358.58	5.76%
Odisha	2,593.98	4.37%	2,898.29	4.36%	5,066.03	5.45%	39.75%	2,955.06	4.51%	5,088.04	5.46%
Sikkim	25.43	0.04%	27.76	0.04%	55.95	0.06%	48.31%	27.23	0.04%	69.12	0.07%
Tripura	974.97	1.64%	1,068.59	1.61%	1,942.98	2.09%	41.17%	1,082.67	1.65%	2,007.02	2.16%
West Bengal	6,663.28	11.22%	6,051.83	9.10%	9,869.85	10.62%	21.71%	6,118.93	9.35%	9,944.70	10.68%
East - Total	**20,749.92**	**34.93%**	**23,119.27**	**34.75%**	**36,347.97**	**39.10%**	**32.35%**	**23,286.62**	**35.57%**	**36,865.03**	**39.60%**
Grand Total	**59,408.76**	**100.00%**	**66,529.78**	**100.00%**	**92,972.07**	**100.00%**	**25.10%**	**65,460.84**	**100.00%**	**93,104.47**	**100.00%**

Loan against Gold AUM by State/Territory

Loan against Gold AUM by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM
	(₹ million, except percentages)									
Delhi	-	-	-	-	-	-	-	-	6.75	0.09%
Haryana	-	-	18.01	0.60%	123.83	1.76%	52.65	1.25%	144.56	1.83%
Punjab	-	-	22.83	0.76%	140.88	2.00%	72.60	1.73%	143.54	1.82%
Rajasthan	-	-	156.80	5.22%	535.66	7.59%	277.09	6.58%	564.97	7.16%
Uttar Pradesh	-	-	202.47	6.74%	564.96	8.01%	294.30	6.99%	662.62	8.39%
North - Total	-	-	**400.11**	**13.31%**	**1,365.33**	**19.36%**	**696.64**	**16.55%**	**1,522.45**	**19.28%**
Andhra Pradesh	-	-	37.51	1.25%	268.41	3.81%	104.96	2.49%	334.30	4.23%
Karnataka	-	-	0.00	0.00%	212.02	3.01%	-	-	324.77	4.11%
Telangana	-	-	19.90	0.66%	320.23	4.54%	95.14	2.26%	435.33	5.51%
South - Total	-	-	**57.41**	**1.91%**	**800.67**	**11.35%**	**200.10**	**4.76%**	**1,094.40**	**13.86%**
Gujarat	-	-	-	-	7.59	0.11%	-	-	16.59	0.21%

Loan against Gold AUM by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM	Amount	Percentage of Loan against Gold AUM
	(₹ million, except percentages)									
Madhya Pradesh	-	-	102.25	3.40%	350.02	4.96%	143.23	3.40%	390.88	4.95%
Maharashtra	-	-	-	-	124.80	1.77%	-	-	190.91	2.42%
West - Total	**-**	**-**	**102.25**	**3.40%**	**482.41**	**6.84%**	**143.23**	**3.40%**	**598.38**	**7.58%**
Assam	0.87	3.43%	302.97	10.08%	652.11	9.25%	423.49	10.06%	671.03	8.50%
Bihar	1.92	7.59%	519.04	17.27%	832.49	11.80%	623.48	14.82%	918.08	11.63%
Odisha	18.39	72.57%	812.14	27.02%	1,374.71	19.49%	1,015.74	24.14%	1,463.97	18.54%
West Bengal	4.16	16.41%	811.78	27.01%	1,545.49	21.91%	1,105.45	26.27%	1,627.45	20.61%
East - Total	**25.34**	**100.00%**	**2,445.92**	**81.38%**	**4,404.80**	**62.45%**	**3,168.16**	**75.29%**	**4,680.54**	**59.28%**
Grand Total	**25.34**	**100.00%**	**3,005.69**	**100.00%**	**7,053.20**	**100.00%**	**4,208.14**	**100.00%**	**7,895.77**	**100.00%**

Overall Disbursement by State/ Territory

Disbursement by State/ Territory	As of/ For the Year Ended March 31,						CAGR (Fiscal 2021 – Fiscal 2023) (%)	As of/ For the Three Months Ended June 30,			
	2021		2022		2023			2022*		2023*	
	Amount	Percentage of Total Disbursement	Amount	Percentage of Total Disbursement	Amount	Percentage of Total Disbursement		Amount	Percentage of Total Disbursement	Amount	Percentage of Total Disbursement
	(₹ million, except percentages)										
Chandigarh	48.85	0.14%	36.20	0.04%	48.12	0.03%	(0.75)%	7.43	0.02%	5.39	0.01%
Delhi	-	-	-	-	-	-	-	-	-	13.63	0.03%
Haryana	793.83	2.20%	1,435.92	1.68%	2,587.65	1.34%	80.54%	408.47	1.19%	756.85	1.57%
Punjab	1,053.46	2.92%	1,377.23	1.61%	3,328.40	1.73%	77.74%	465.73	1.36%	845.03	1.75%
Rajasthan	1,788.53	4.96%	3,818.90	4.47%	10,638.69	5.53%	143.90%	1,534.29	4.47%	3,219.16	6.66%
Uttar Pradesh	2,540.78	7.05%	5,790.28	6.78%	9,502.55	4.94%	93.39%	1,753.49	5.11%	2,678.58	5.55%
Uttarakhand	254.77	0.71%	544.61	0.64%	576.76	0.30%	50.46%	128.30	0.37%	132.54	0.27%
North - Total	**6,480.22**	**17.97%**	**13,003.14**	**15.23%**	**26,682.17**	**13.86%**	**102.92%**	**4,297.71**	**12.52%**	**7,651.19**	**15.84%**
Andhra Pradesh	58.21	0.16%	89.60	0.10%	1,101.64	0.57%	335.03%	155.79	0.45%	610.14	1.26%
Karnataka	3,998.07	11.09%	4,754.35	5.57%	8,433.09	4.38%	45.23%	938.68	2.73%	1,887.79	3.91%
Kerala	2,055.78	5.70%	2,970.02	3.48%	5,108.30	2.65%	57.63%	511.88	1.49%	932.34	1.93%
Puducherry	47.98	0.13%	47.96	0.06%	65.60	0.03%	16.93%	8.19	0.02%	17.80	0.04%
Tamil Nadu	8,105.70	22.48%	8,019.24	9.39%	11,997.42	6.23%	21.66%	1,452.83	4.23%	3,001.58	6.21%
Telangana	4.14	0.01%	35.25	0.04%	1,037.32	0.54%	1,482.91%	126.68	0.37%	692.37	1.43%
Andaman and Nicobar Islands	-	-	78.94	0.09%	49.81	0.03%	-	7.18	0.02%	23.36	0.05%
South - Total	**14,269.87**	**39.58%**	**15,995.34**	**18.73%**	**27,793.17**	**14.44%**	**39.56%**	**3,201.22**	**9.33%**	**7,165.37**	**14.84%**
Gujarat	604.64	1.68%	1,594.71	1.87%	1,381.22	0.72%	51.14%	253.22	0.74%	363.15	0.75%
Goa	56.91	0.16%	81.88	0.10%	134.15	0.07%	53.53%	10.09	0.03%	27.08	0.06%
Madhya Pradesh	2,222.35	6.16%	3,204.27	3.75%	7,263.76	3.77%	80.80%	997.08	2.90%	2,152.73	4.46%
Maharashtra	892.55	2.48%	1,504.51	1.76%	3,549.19	1.84%	99.41%	343.33	1.00%	1,134.08	2.35%
West - Total	**3,776.45**	**10.47%**	**6,385.38**	**7.48%**	**12,328.33**	**6.40%**	**80.68%**	**1,603.72**	**4.67%**	**3,677.03**	**7.61%**

Disbursement by State/ Territory	As of/ For the Year Ended March 31,						CAGR (Fiscal 2021 – Fiscal 2023) (%)	As of/ For the Three Months Ended June 30,			
	2021		2022		2023			2022*		2023*	
	Amount	Percentage of Total Disbursement	Amount	Percentage of Total Disbursement	Amount	Percentage of Total Disbursement		Amount	Percentage of Total Disbursement	Amount	Percentage of Total Disbursement
	(₹ million, except percentages)										
Assam	65.58	0.18%	2,895.86	3.39%	6,276.04	3.26%	878.27%	1,586.27	4.62%	1,402.80	2.90%
Bihar	3,816.83	10.59%	13,188.59	15.44%	27,247.39	14.16%	167.18%	5,253.49	15.30%	7,344.18	15.21%
Chhattisgarh	529.97	1.47%	880.46	1.03%	1,338.74	0.70%	58.94%	183.37	0.53%	271.37	0.56%
Jharkhand	1,804.79	5.01%	2,557.22	2.99%	5,205.93	2.70%	69.84%	754.20	2.20%	867.29	1.80%
Odisha	1,467.87	4.07%	14,258.06	16.70%	50,291.86	26.13%	485.34%	10,125.53	29.50%	11,139.95	23.06%
Sikkim	14.73	0.04%	14.11	0.02%	53.52	0.03%	90.26%	4.81	0.01%	22.94	0.05%
Tripura	497.35	1.38%	825.38	0.97%	1,876.30	0.97%	94.23%	218.35	0.64%	407.51	0.84%
West Bengal	3,328.64	9.23%	15,393.19	18.03%	33,387.77	17.35%	216.71%	7,097.14	20.68%	8,350.05	17.29%
East - Total	**11,525.76**	**31.97%**	**50,012.87**	**58.57%**	**125,677.54**	**65.29%**	**230.21%**	**25,223.17**	**73.48%**	**29,806.09**	**61.71%**
Grand Total	**36,052.30**	**100.00%**	**85,396.73**	**100.00%**	**192,481.21**	**100.00%**	**131.06%**	**34,325.82**	**100.00%**	**48,299.69**	**100.00%**

Microfinance loan Disbursement by State/Territory

Microfinance loan Disbursement by State/ Territory	As of/ For the Year Ended March 31,						CAGR (Fiscal 2021 – Fiscal 2023) (%)	As of/ For the Three Months Ended June 30,			
	2021		2022		2023			2022		2023	
	Amount	Percentage of Microfinance Loan Disbursement	Amount	Percentage of Microfinance Loan Disbursement	Amount	Percentage of Microfinance Loan Disbursement		Amount	Percentage of Microfinance Loan Disbursement	Amount	Percentage of Microfinance Loan Disbursement
	(₹ million, except percentages)										
Chandigarh	48.85	0.14%	36.20	0.07%	48.12	0.06%	(0.74)%	7.43	0.07%	5.39	0.03%
Haryana	793.83	2.22%	1,400.18	2.70%	1,886.83	2.25%	54.17%	261.96	2.39%	373.38	2.06%
Punjab	1,053.46	2.95%	1,327.33	2.56%	2,193.96	2.61%	44.31%	274.55	2.50%	422.71	2.33%
Rajasthan	1,788.53	5.01%	3,398.91	6.55%	4,305.60	5.13%	55.16%	574.22	5.23%	877.73	4.84%
Uttar Pradesh	2,540.78	7.12%	5,165.69	9.96%	6,532.45	7.78%	60.34%	1,178.25	10.73%	1,391.77	7.67%
Uttarakhand	254.77	0.71%	544.61	1.05%	576.76	0.69%	50.46%	128.30	1.17%	132.54	0.73%
North - Total	**6,480.22**	**18.15%**	**11,872.92**	**22.89%**	**15,543.73**	**18.51%**	**54.88%**	**2,424.71**	**22.08%**	**3,203.52**	**17.66%**
Andhra Pradesh	0.00	0.00%	0.00	0.00%	0.96	0.00%	0.00%	0.00	0.00%	44.84	0.25%
Karnataka	3,784.06	10.60%	4,658.70	8.98%	7,954.52	9.47%	44.99%	935.56	8.52%	1,492.72	8.23%
Kerala	2,055.78	5.76%	2,970.02	5.73%	5,108.30	6.08%	57.63%	511.88	4.66%	932.34	5.14%
Puducherry	47.98	0.13%	47.96	0.09%	65.60	0.08%	16.93%	8.19	0.07%	17.80	0.10%
Tamil Nadu	8,077.79	22.63%	8,013.91	15.45%	11,995.90	14.29%	21.86%	1,452.83	13.23%	2,997.24	16.52%
Telangana	-	-	-	-	1.00	0.00%	-	-	-	59.16	0.33%
Andaman and Nicobar Islands	-	-	78.94	0.15%	49.81	0.06%	-	7.18	0.07%	23.36	0.13%
South - Total	**13,965.61**	**39.12%**	**15,769.52**	**30.40%**	**25,176.09**	**29.98%**	**34.27%**	**2,915.63**	**26.55%**	**5,567.45**	**30.69%**
Gujarat	604.64	1.69%	1,594.71	3.07%	1,370.32	1.63%	50.54%	253.22	2.31%	282.99	1.56%
Goa	56.91	0.16%	81.88	0.16%	134.15	0.16%	53.53%	10.09	0.09%	27.08	0.15%
Madhya Pradesh	2,222.35	6.23%	2,989.34	5.76%	4,844.56	5.77%	47.65%	651.24	5.93%	987.10	5.44%
Maharashtra	892.55	2.50%	1,504.51	2.90%	3,299.72	3.93%	92.27%	343.33	3.13%	569.29	3.14%

Microfinance loan Disbursement by State/ Territory	As of/ For the Year Ended March 31,						CAGR (Fiscal 2021 – Fiscal 2023) (%)	As of/ For the Three Months Ended June 30,			
	2021		2022		2023			2022		2023	
	Amount	Percentage of Microfinance Loan Disbursement	Amount	Percentage of Microfinance Loan Disbursement	Amount	Percentage of Microfinance Loan Disbursement		Amount	Percentage of Microfinance Loan Disbursement	Amount	Percentage of Microfinance Loan Disbursement
	(₹ million, except percentages)										
West - Total	**3,776.45**	**10.58%**	**6,170.46**	**11.90%**	**9,648.76**	**11.49%**	**59.84%**	**1,257.88**	**11.45%**	**1,866.46**	**10.29%**
Assam	64.71	0.18%	178.52	0.34%	805.70	0.96%	252.86%	57.72	0.53%	257.36	1.42%
Bihar	3,813.31	10.68%	7,145.11	13.78%	10,298.15	12.26%	64.33%	1,393.32	12.69%	2,713.44	14.96%
Chhattisgarh	529.97	1.48%	880.46	1.70%	1,338.74	1.59%	58.94%	183.37	1.67%	271.37	1.50%
Jharkhand	1,804.79	5.06%	2,557.22	4.93%	5,205.93	6.20%	69.84%	754.20	6.87%	867.29	4.78%
Odisha	1,428.00	4.00%	2,269.95	4.38%	4,904.67	5.84%	85.33%	589.16	5.36%	941.67	5.19%
Sikkim	14.73	0.04%	14.11	0.03%	53.52	0.06%	90.60%	4.81	0.04%	22.94	0.13%
Tripura	497.35	1.39%	825.38	1.59%	1,876.30	2.23%	94.23%	218.35	1.99%	407.51	2.25%
West Bengal	3,322.37	9.31%	4,185.39	8.07%	9,121.71	10.86%	65.70%	1,184.50	10.78%	2,024.16	11.16%
East - Total	**11,475.23**	**32.15%**	**18,056.15**	**34.81%**	**33,604.72**	**40.02%**	**71.13%**	**4,385.43**	**39.93%**	**7,505.75**	**41.37%**
Grand Total	**35,697.50**	**100.00%**	**51,869.04**	**100.00%**	**83,973.30**	**100.00%**	**53.37%**	**10,983.66**	**100.00%**	**18,143.19**	**100.00%**

Loan Against Gold Disbursement by State/Territory

Loan Against Gold Disbursement by State/ Territory	As of/ For the Year Ended March 31,						As of/ For the Three Months Ended June 30,			
	2021		2022		2023		2022		2023	
	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement
	(₹ million, except percentages)									
Delhi	-	-	-	-	-	-	-	-	13.63	0.05%
Haryana	-	-	35.74	0.11%	700.82	0.65%	146.51	0.63%	383.47	1.27%
Punjab	-	-	49.90	0.15%	1,134.44	1.05%	191.18	0.82%	422.32	1.40%
Rajasthan	-	-	419.99	1.26%	6,333.09	5.84%	960.08	4.11%	2,341.43	7.78%
Uttar Pradesh	-	-	624.59	1.87%	2,970.10	2.74%	575.24	2.46%	1,266.14	4.21%
North - Total	-	-	**1,130.22**	**3.38%**	**11,138.44**	**10.27%**	**1,873.00**	**8.03%**	**4,426.99**	**14.71%**
Andhra Pradesh	-	-	68.38	0.20%	1,066.07	0.98%	154.14	0.66%	536.81	1.78%
Karnataka	-	-	-	-	475.53	0.44%	0.00	0.00%	390.81	1.30%
Telangana	-	-	30.10	0.09%	1,036.32	0.96%	126.68	0.54%	633.21	2.10%
South - Total	-	-	**98.48**	**0.29%**	**2,577.92**	**2.38%**	**280.82**	**1.20%**	**1,560.83**	**5.19%**
Gujarat	-	-	-	-	10.90	0.01%	0.00	0.00	80.15	0.27%
Madhya Pradesh	-	-	214.93	0.64%	2,419.20	2.23%	345.84	1.48%	1,165.62	3.87%
Maharashtra	-	-	-	-	249.47	0.23%	0.00	0.00%	564.79	1.88%
West - Total	-	-	**214.93**	**0.64%**	**2,679.57**	**2.47%**	**345.84**	**1.48%**	**1,810.57**	**6.02%**
Assam	0.87	1.72%	2,717.34	8.14%	5,470.34	5.04%	1,528.55	6.55%	1,145.43	3.81%
Bihar	3.52	6.96%	6,043.48	18.09%	16,949.24	15.63%	3,860.18	16.54%	4,630.74	15.39%
Odisha	39.87	78.91%	11,988.11	35.89%	45,387.19	41.84%	9,536.37	40.86%	10,198.28	33.88%
West Bengal	6.27	12.40%	11,207.79	33.56%	24,266.06	22.37%	5,912.64	25.34%	6,325.89	21.02%

Loan Against Gold Disbursement by State/ Territory	As of/ For the Year Ended March 31,						As of/ For the Three Months Ended June 30,			
	2021		2022		2023		2022		2023	
	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement	Amount	Percentage of Loan against Gold Disbursement
	(₹ million, except percentages)									
East - Total	**50.53**	**100.00%**	**31,956.72**	95.68%	**92,072.82**	**84.88%**	**20,837.74**	**89.29%**	**22,300.34**	**74.09%**
Grand Total	**50.53**	**100.00%**	**33,400.35**	**100.00%**	**108,468.75**	**100.00%**	**23,337.39**	**100.00%**	**30,098.73**	**100.00%**

Branches by State/ Territory – Microfinance loans

Microfinance Loan Branches by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches
	(in numbers, except percentages)									
Chandigarh	1	0.10%	1	0.08%	1	0.07%	1	0.08%	1	0.07%
Haryana	24	2.34%	35	2.91%	48	3.22%	35	2.91%	48	3.20%
Punjab	31	3.02%	31	2.58%	42	2.82%	31	2.58%	43	2.87%
Rajasthan	60	5.85%	88	7.32%	126	8.46%	88	7.32%	126	8.40%
Uttar Pradesh	67	6.54%	92	7.65%	128	8.60%	92	7.65%	129	8.60%
Uttarakhand	8	0.78%	10	0.83%	10	0.67%	10	0.83%	10	0.67%
North – Total	**191**	**18.63%**	**257**	**21.36%**	**355**	**23.84%**	**257**	**21.36%**	**357**	**23.80%**
Andhra Pradesh	-	-	-	-	2	0.13%	-	-	5	0.33%
Karnataka	94	9.17%	114	9.48%	135	9.07%	114	9.48%	135	9.00%
Kerala	65	6.34%	73	6.07%	73	4.90%	73	6.07%	73	4.87%
Puducherry	1	0.10%	1	0.08%	1	0.07%	1	0.08%	1	0.07%
Tamil Nadu	162	15.80%	166	13.80%	166	11.15%	166	13.80%	166	11.07%
Telangana	-	-	-	-	1	0.07%	-	-	5	0.33%
Andaman and Nicobar Islands	-	-	1	0.08%	1	0.07%	1	0.08%	1	0.07%
South – Total	**322**	**31.41%**	**355**	**29.51%**	**379**	**25.45%**	**355**	**29.51%**	**386**	**25.73%**
Gujarat	27	2.63%	37	3.08%	37	2.48%	37	3.08%	37	2.47%
Goa	3	0.29%	3	0.25%	3	0.20%	3	0.25%	3	0.20%
Madhya Pradesh	72	7.02%	83	6.90%	110	7.39%	83	6.90%	110	7.33%
Maharashtra	33	3.22%	43	3.57%	55	3.69%	43	3.57%	56	3.73%
West – Total	**135**	**13.17%**	**166**	**13.80%**	**205**	**13.77.%**	**166**	**13.80%**	**206**	**13.73%**
Assam	14	1.37%	15	1.25%	32	2.15%	15	1.25%	32	2.13%
Bihar	95	9.27%	113	9.39%	155	10.41%	113	9.39%	156	10.40%
Chhattisgarh	24	2.34%	31	2.58%	31	2.08%	31	2.58%	31	2.07%
Jharkhand	50	4.88%	58	4.82%	58	3.90%	58	4.82%	58	3.87%
Odisha	69	6.73%	79	6.57%	109	7.32%	79	6.57%	109	7.27%
Sikkim	1	0.10%	1	0.08%	3	0.20%	1	0.08%	3	0.20%
Tripura	27	2.63%	31	2.58%	31	2.08%	31	2.58%	31	2.07%

Microfinance Loan Branches by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches	Branches	Percentage of Microfinance Loan Branches
	(in numbers, except percentages)									
West Bengal	97	9.46%	97	8.06%	131	8.80%	97	8.06%	131	8.73%
East – Total	**377**	**36.78%**	**425**	**35.33%**	**550**	**36.94%**	**425**	**35.33%**	**551**	**36.73%**
Grand Total	**1,025**	**100.00%**	**1,203**	**100.00%**	**1,489**	**100.00%**	**1,203**	**100.00%**	**1,500**	**100.00%**

Branches by State/ Territory – Loan against Gold

Loan against Gold Branches by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Branches	Percentage of Loan against Gold Branches	Branches	Percentage of Loan against Gold Branches	Branches	Percentage of Loan against Gold Branches	Branches	Percentage of Loan against Gold Branches	Branches	Percentage of Loan against Gold Branches
	(in numbers, except percentages)									
Delhi	-	-	-	-	-	-	-	-	9	1.75%
Haryana	-	-	7	2.30%	18	3.90%	10	3.13%	22	4.27%
Punjab	-	-	8	2.62%	15	3.25%	10	3.13%	17	3.30%
Rajasthan	-	-	44	14.43%	62	13.45%	44	13.75%	64	12.43%
Uttar Pradesh	-	-	41	13.44%	62	13.45%	43	13.44%	62	12.04%
North - Total	**-**	**-**	**100**	**32.79%**	**157**	**34.06%**	**107**	**33.44%**	**174**	**33.79%**
Andhra Pradesh	-	-	10	3.28%	22	4.77%	10	3.13%	30	5.83%
Karnataka	-	-	-	-	25	5.42%	-	-	31	6.02%
Telangana	-	-	8	2.62%	25	5.42%	10	3.13%	38	7.38%
South - Total	**-**	**-**	**18**	**5.90%**	**72**	**15.62%**	**20**	**6.25%**	**99**	**19.22%**
Gujarat	-	-	-	-	4	0.87%	-	-	9	1.75%
Madhya Pradesh	-	-	30	9.84%	41	8.89%	35	10.94%	41	7.96%
Maharashtra	-	-	-	-	25	5.42%	-	-	29	5.63%
West - Total	**-**	**-**	**30**	**9.84%**	**70**	**15.18%**	**35**	**10.94%**	**79**	**15.34%**
Assam	1	5.00%	25	8.20%	25	5.42%	25	7.81%	25	4.85%
Bihar	3	14.00%	43	14.10%	43	9.33%	43	13.44%	43	8.35%
Odisha	10	48.00%	43	14.10%	45	9.76%	43	13.44%	46	8.93%
West Bengal	7	33.00%	46	15.08%	49	10.63%	47	14.69%	49	9.51%
East - Total	**21**	**100.00%**	**157**	**51.48%**	**162**	**35.14%**	**158**	**49.38%**	**163**	**31.65%**
Grand Total	**21**	**100.00%**	**305**	**100.00%**	**461**	**100.00%**	**320**	**100.00%**	**515**	**100.00%**

Geographical Spread of Loan Accounts – Microfinance Loans

Microfinance Loan Accounts by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Loan Accounts	Percentage of Microfinance Loan Accounts	Loan Accounts	Percentage of Microfinance Loan Accounts	Loan Accounts	Percentage of Microfinance Loan Accounts	Loan Accounts	Percentage of Microfinance Loan Accounts	Loan Accounts	Percentage of Microfinance Loan Accounts
	(in numbers, except percentages)									
Chandigarh	4,315	0.11%	3,522	0.09%	2,797	0.06%	3,397	0.09%	2,691	0.06%
Haryana	58,236	1.55%	75,510	1.96%	91,143	2.03%	75,711	2.03%	92,666	1.99%
Punjab	96,724	2.57%	92,238	2.39%	103,109	2.29%	89,393	2.40%	107,054	2.30%
Rajasthan	163,971	4.35%	220,272	5.72%	253,285	5.63%	218,595	5.87%	256,577	5.50%
Uttar Pradesh	269,171	7.15%	318,804	8.28%	384,849	8.55%	316,784	8.51%	394,124	8.46%
Uttarakhand	30,854	0.82%	35,779	0.93%	39,228	0.87%	35,575	0.96%	39,066	0.84%
North - Total	**623,271**	**16.55%**	**746,125**	**19.37%**	**874,411**	**19.43%**	**739,455**	**19.86%**	**892,178**	**19.14%**
Andhra Pradesh	-	-	-	-	24	0.00%	-	-	1,145	0.02%
Karnataka	286,115	7.60%	301,654	7.83%	368,448	8.19%	290,246	7.80%	378,947	8.13%
Kerala	229,658	6.10%	223,295	5.80%	269,600	5.99%	212,796	5.72%	280,623	6.02%
Puducherry	3,313	0.09%	3,674	0.10%	3,496	0.08%	3,530	0.09%	3,567	0.08%
Tamil Nadu	793,968	21.08%	715,328	18.57%	687,188	15.27%	669,472	17.98%	713,924	15.32%
Telangana	-	-	-	-	25	0.00%	-	-	1,504	0.03%
Andaman and Nicobar Islands	-	-	1,840	0.05%	2,962	0.07%	2,033	0.05%	3,052	0.07%
South - Total	**1,313,054**	**34.87%**	**1,245,791**	**32.34%**	**1,331,743**	**29.60%**	**1,178,077**	**31.64%**	**1,382,762**	**29.66%**
Gujarat	78,338	2.08%	107,853	2.80%	117,771	2.62%	107,913	2.90%	117,011	2.51%
Goa	5,876	0.16%	5,506	0.14%	6,646	0.15%	5,200	0.14%	6,701	0.14%
Madhya Pradesh	257,272	6.83%	265,919	6.90%	310,406	6.90%	258,126	6.93%	317,075	6.80%
Maharashtra	115,812	3.08%	126,130	3.27%	173,512	3.86%	120,700	3.24%	177,666	3.81%
West - Total	**457,298**	**12.14%**	**505,408**	**13.12%**	**608,335**	**13.52%**	**491,939**	**13.21%**	**618,453**	**13.27%**
Assam	23,629	0.63%	21,367	0.55%	34,489	0.77%	20,281	0.54%	39,306	0.84%
Bihar	475,650	12.63%	491,101	12.75%	578,088	12.85%	470,214	12.63%	605,542	12.99%
Chhattisgarh	57,139	1.52%	65,874	1.71%	83,175	1.85%	65,190	1.75%	84,608	1.82%
Jharkhand	169,132	4.49%	184,081	4.78%	242,883	5.40%	185,493	4.98%	248,190	5.32%
Odisha	155,713	4.13%	159,639	4.14%	218,657	4.86%	158,870	4.27%	227,184	4.87%
Sikkim	1,344	0.04%	1,251	0.03%	1,794	0.04%	1,197	0.03%	2,158	0.05%
Tripura	54,955	1.46%	52,927	1.37%	70,586	1.57%	51,280	1.38%	74,839	1.61%
West Bengal	434,549	11.54%	378,307	9.82%	455,532	10.12%	360,823	9.69%	486,063	10.43%
East - Total	**1,372,111**	**36.44%**	**1,354,547**	**35.17%**	**1,685,204**	**37.45%**	**1,313,348**	**35.28%**	**1767,890**	**37.93%**
Grand Total	**3,765,734**	**100.00%**	**3,851,871**	**100.00%**	**4,499,693**	**100.00%**	**3,722,819**	**100.00%**	**4,661,283**	**100.00%**

Geographical Spread of Loan Accounts – Loan against Gold

Loan against Gold Accounts by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts
	(in numbers, except percentages)									
Delhi	-	-	-	-	-	-	-	-	83	0.06%

Loan against Gold Accounts by State/ Territory	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts	Loan Accounts	Percentage of Loan Accounts
	(in numbers, except percentages)									
Haryana	-	-	140	0.30%	1,707	1.43%	534	0.81%	2,150	1.58%
Punjab	-	-	196	0.42%	1,745	1.46%	716	1.08%	1,913	1.40%
Rajasthan	-	-	1,921	4.14%	7,634	6.39%	3,431	5.19%	8,517	6.24%
Uttar Pradesh	-	-	2,046	4.41%	7,356	6.16%	3,389	5.13%	9,075	6.65%
North - Total	**-**	**-**	**4,303**	**9.28%**	**18,442**	**15.45%**	**8,070**	**12.21%**	**21,738**	**15.93%**
Andhra Pradesh	-	-	340	0.73%	3,914	3.28%	1,248	1.89%	4,903	3.59%
Karnataka	-	-	-	-	3,988	3.34%	-	-	6,219	4.56%
Telangana	-	-	151	0.33%	3,891	3.26%	958	1.45%	5,311	3.89%
South - Total	**-**	**-**	**491**	**1.06%**	**11,793**	**9.88%**	**2,206**	**3.34%**	**16,433**	**12.04%**
Madhya Pradesh	-	-	965	2.08%	5,207	4.36%	1,903	2.88%	6,223	4.56%
Maharashtra	-	-	-	-	1,910	1.60%	-	-	2,988	2.19%
Gujarat	-	-	-	-	55	0.05%	-	-	245	0.18%
West - Total	**-**	**-**	**965**	**2.08%**	**7,172**	**6.00%**	**1,903**	**2.88%**	**9456**	**6.93%**
Assam	10	2.02%	6,022	12.99%	13,558	11.36%	8,158	12.34%	14,533	10.65%
Bihar	25	5.06%	7,616	16.43%	14,478	12.13%	9,732	14.72%	16,298	11.94%
Odisha	374	75.71%	14,942	32.23%	29,925	25.06%	19,476	29.46%	32,684	23.95%
West Bengal	85	17.21%	12,025	25.94%	24,088	20.17%	16,571	25.06%	25,318	18.55%
East - Total	**494**	**100.00%**	**40,605**	**87.58%**	**82,049**	**68.72%**	**53,937**	**81.58%**	**88,833**	**65.09%**
Grand Total	**494**	**100.00%**	**46,364**	**100.00%**	**119,456**	**100.00%**	**66,116**	**100.00%**	**136,460**	**100.00%**

Exposure of Districts – Microfinance Loans

Contribution of AUM	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Districts	Percentage of Total Districts (Microfinance Loans)	Districts	Percentage of Total Districts (Microfinance Loans)	Districts	Percentage of Total Districts (Microfinance Loans)	Districts	Percentage of Total Districts (Microfinance Loans)	Districts	Percentage of Total Districts (Microfinance Loans)
	(in numbers, except percentages)									
0.0% - 0.5%	249	79.05%	296	82.91%	338	86.45%	296	82.91%	338	85.57%
0.5% - 1.0%	55	17.46%	54	15.13%	46	11.76%	54	15.13%	50	12.66%
1.0% - 3.0%	11	3.49%	7	1.96%	7	1.79%	7	1.96%	7	1.77%
Total	**315**	**100.00%**	**357**	**100.00%**	**391**	**100.00%**	**357**	**100.00%**	**395**	**100.00%**

Exposure of Districts – Loan against Gold

Contribution of AUM	As of March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Districts	Percentage of Total Districts – Loan against Gold	Districts	Percentage of Total Districts – Loan against Gold	Districts	Percentage of Total Districts – Loan against Gold	Districts	Percentage of Total Districts – Loan against Gold	Districts	Percentage of Total Districts – Loan against Gold
	(in numbers, except percentages)									
0.0% - 0.5%	-	0.00%	90	59.00%	165	72.69%	98	61.00%	180	75.00%
0.5% - 1.0%	2	13.33%	34	22.00%	42	18.50%	37	23.00%	40	17.00%
1.0% - 3.0%	13	86.67%	28	18.00%	20	8.81%	26	16.00%	20	8.00%
Total	**15**	**100.00%**	**152**	**100.00%**	**227**	**100.00%**	**161**	**100.00%**	**240**	**100.00%**

Asset Liability Management

The following table sets forth the maturity pattern of certain interest bearing assets and interest bearing liabilities as at the end of the relevant period or year:

Particulars		1 day to 30/31 (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
		(₹ in million)								
Liabilities										
Borrowings	As of June 30, 2023	5,158.49	5,089.71	5,986.74	13,907.77	26,536.77	34,646.63	2,099.03	3,250.00	**96,675.14**
	As of June 30, 2022	4,446.42	2979.59	4,536.93	9,684.32	11,930.96	27,159.28	2,674.60	944.62	**64,356.72**
	As of March 31, 2023	5,030.78	3917.81	9,422.94	13,696.22	17,477.05	38,948.61	3,294.60	1,750.00	**93,538.01**
	As of March 31, 2022	1,853.45	2203.69	7,277.45	4,836.09	10,736.02	24,367.01	2,823.67	1,494.60	**55,591.98**
	As of March 31, 2021	2,116.74	2000.20	1,369.36	5,317.36	11,170.37	20,345.64	2,567.22	1,040.00	**45,926.91**
Assets										
Cash and cash equivalents	As of June 30, 2023	7,134.29	-	-	-	-	-	-	-	**7,134.29**
	As of June 30, 2022	3,656.55	-	-	-	-	-	-	-	**3,656.55**
	As of March 31, 2023	5,499.21	-	-	-	-	-	-	-	**5,499.21**
	As of March 31, 2022	7,925.13	-	-	-	-	-	-	-	**7,925.13**
	As of March 31, 2021	6,954.68	-	-	-	-	-	-	-	**6,954.68**
Loans, and investment	As of June 30, 2023	5,997.05	6,707.69	6,255.28	17,055.74	43,895.91	30,345.34	36.56	2,188.92	**112,482.49**
	As of June 30, 2022	4,184.02	4,876.11	5,751.93	13,446.79	25,302.76	19,526.24	85.20	1,006.27	**74,179.32**
	As of March 31, 2023	4,854.59	5,936.11	6,372.52	19,644.91	30,598.63	30,544.67	38.03	1,972.13	**99,961.59**
	As of March 31, 2022	4,333.63	3,372.46	2,607.90	9,727.01	15,854.74	18,406.49	59.00	1,058.40	**55,419.63**
	As of March 31, 2021	3,518.27	2,614.46	2,791.72	8,239.39	14,371.74	19,330.50	273.84	0.90	**51,140.83**
Positive/ (Negative) mismatch of assets over liabilities	As of June 30, 2023	7,972.85	1,617.98	268.54	3,147.97	17,359.14	(4,301.29)	(2,062.47)	(1,061.08)	**22,941.64**
	As of June 30, 2022	3,394.15	1,896.52	1215.00	3,762.47	13,371.80	(7,633.04)	(2,589.40)	61.65	**13,479.15**
	As of March 31, 2023	5,323.02	2,018.30	(3,050.42)	5,948.69	13,121.58	(8,403.94)	(3,256.57)	222.13	**11,922.79**
	As of March 31, 2022	10,405.31	1,168.77	(4,669.55)	4,890.92	5,118.72	(5,960.52)	(2,764.67)	(436.20)	**7,752.78**
	As of March 31, 2021	8,356.21	614.26	1,422.36	2,922.03	3,201.37	(1,015.14)	(2,293.38)	(1,039.10)	**12,168.61**

State-wise Average Branches per District - Microfinance Loans

State/ Union Territory	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(Average number of branches)				
Chandigarh	1.00	1.00	1.00	1.00	1.00
Haryana	2.00	2.06	2.82	2.06	2.82
Punjab	1.82	1.82	2.33	1.82	2.39
Rajasthan	3.16	3.26	4.20	3.26	4.20
Uttar Pradesh	2.48	2.49	2.72	2.49	2.69
Uttarakhand	2.00	2.50	2.50	2.50	2.50
Andhra Pradesh	-	-	-	-	1.67
Karnataka	3.92	3.93	4.50	3.93	4.50
Kerala	6.50	7.30	7.30	7.30	7.30
Puducherry	1.00	1.00	1.00	1.00	1.00
Tamil Nadu	5.23	5.35	5.35	5.35	5.35
Telangana	-	-	1.00	-	1.67
Andaman and Nicobar Islands	-	1.00	1.00	1.00	1.00
Gujarat	2.08	2.31	2.31	2.31	2.31
Goa	1.50	1.50	1.50	1.50	1.50
Madhya Pradesh	2.57	2.86	3.67	2.86	3.67
Maharashtra	2.36	2.39	2.89	2.39	2.95
Assam	2.00	1.88	2.00	1.88	2.00
Bihar	3.39	3.90	4.70	3.90	4.73
Chhattisgarh	2.40	2.38	2.38	2.38	2.38
Jharkhand	2.78	3.22	3.22	3.22	3.22
Odisha	2.88	3.16	4.19	3.16	4.19
Sikkim	1.00	1.00	3.00	1.00	3.00
Tripura	3.86	4.43	4.43	4.43	4.43
West Bengal	5.39	5.39	6.55	5.39	6.55

Collection Efficiency by State/ Territory – Microfinance Loans

State/ Union Territory*	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(Percentage)				
Chandigarh	102.39%	88.43%	94.33%	92.95%	95.54%
Haryana	100.95%	93.03%	102.93%	100.36%	103.49%
Punjab	98.80%	90.68%	98.48%	98.53%	97.22%
Rajasthan	96.14%	82.86%	100.07%	100.75%	100.40%
Uttar Pradesh	94.87%	92.58%	102.93%	102.56%	101.24%
Uttarakhand	98.69%	91.36%	99.65%	101.18%	98.92%
Andhra Pradesh	-	-	-	-	100.20%
Karnataka	98.19%	86.24%	100.33%	100.92%	100.64%
Kerala	86.54%	82.45%	100.60%	99.84%	100.34%
Puducherry	101.48%	82.48%	95.28%	89.50%	99.76%
Tamil Nadu	100.20%	82.99%	97.75%	95.88%	101.59%
Telangana	-	-	-	-	100.00%
Andaman and Nicobar Islands	-	97.30%	100.98%	100.77%	100.90%
Gujarat	93.84%	86.75%	94.82%	102.50%	87.92%
Goa	97.08%	86.00%	101.07%	99.53%	102.37%
Madhya Pradesh	95.98%	81.11%	102.09%	101.56%	99.78%
Maharashtra	93.13%	81.95%	99.15%	98.34%	100.15%
Assam	75.01%	56.78%	111.69%	109.94%	105.34%
Bihar	94.84%	90.65%	101.73%	102.10%	101.38%
Chhattisgarh	92.20%	90.45%	106.98%	106.81%	104.91%
Jharkhand	93.65%	82.65%	102.92%	103.41%	99.28%
Odisha	94.25%	84.63%	102.59%	101.18%	101.09%
Sikkim	96.36%	82.38%	101.40%	102.96%	102.84%
Tripura	94.04%	80.83%	105.30%	105.87%	104.36%
West Bengal	90.44%	80.21%	105.50%	106.31%	103.54%

***** *Includes arrears collections.*

Portfolio Performance by Period - Microfinance loans

Set forth below are details relating to the portfolio performance of our loans disbursed post June 30, 2021 and our loans disbursed on or prior to June 30, 2021, for the three months ended June 30, 2023:

Particulars	As of/ For the Three Months Ended June 30, 2023					
	Number of outstanding loans	% of outstanding loans accounts	Principal outstanding	% of principal outstanding	% of Stage 2 portfolio	% of Stage 3 portfolio
Loans disbursed post June 30, 2021	3,789,380	81.29%	91,445.38	98.22%	93.50%	71.93%
Loans disbursed on or prior to June 30, 2021	871,903	18.71%	1,659.09	1.78%	6.50%	28.07%
Total	**4,661,283**	**100.00%**	**93,104.47**	**100.00%**	**100.00%**	**100.00%**

Breakdown of Loans Outstanding by Economic Activity of Borrowers

The following table sets forth the details of our Company's loan portfolio classified according to our borrowers' principal economic activity, as of June 30, 2023:

Microfinance loans

Loan Type	Number of Loans Outstanding	AUM (₹ million)	Percentage of Total AUM (%)
– Agriculture	2,515,666	66,521.54	71.45%
– Animal Husbandry	199,874	4,864.80	5.23%
– Consumption	1,048,093	3,992.71	4.29%
– Education	644	15.09	0.02%
– Manufacturing	187,934	4,910.30	5.27%
– Services	709,123	12,800.03	13.75%
Total	**4,661,334**	**93,104.47**	**100.00%**

Breakdown of Borrowers by Age

The following table sets forth details of our borrowers, classified according to age, as of June 30, 2023:

Borrower Age	Number of Borrowers	Percentage of Total Borrowers (%)
<40 years	1,572,503	46.41%
> 40 years	1,816,052	53.59%
Total	**3,388,555**	**100.00%**

Breakdown of Borrowers by Loan Cycle

The following table sets forth details of our borrowers, classified according to the loan cycle, as of June 30, 2023:

Loan Cycle	Number of Borrowers	Percentage of Total Borrowers (%)
1st cycle	1,555,645	47.50%
2nd and 3rd cycle	1,063,453	32.47%
> 3rd cycle	655,918	20.03%

Restructuring of Loans

A restructured account is one where for economic or legal reasons relating to the borrower's financial difficulty, the Company grants to the borrower concessions that the Company would not otherwise consider. Restructuring would normally involve modification of terms of the loans, which would generally include, among others, alteration of repayment period/repayable amount/ the amount of instalments/ rate of interest (due to reasons other than competitive reasons).

The Company implemented the guidelines issued by the RBI vide the Resolution Framework for COVID-19-related stress as per RBI circular dated May 5, 2021 ("**Resolution Framework 2.0**"). Under Resolution Framework 2.0, the RBI has provided a framework to lending institutions (including NBFC-MFIs) for the implementation of resolution plans to address the economic fallout due to the COVID-19 pandemic.

The details of restructured accounts are as follows:

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Restructured portfolio - MFI	2,047.80	5,988.09	1,597.00	5,535.02	42.63
Restructured portfolio - Others	-	19.77	14.60	17.37	13.20
Ratio of restructured portfolio to On-Books Portfolio (%)	**4.00%**	**10.44%**	**1.80%**	**9.49%**	**0.07%**

Capital Adequacy

All MFIs are required to maintain a capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15% of aggregate risk weighted assets on-balance sheet. The total of Tier II Capital at any point of time, shall not exceed 100% of Tier I capital.

The following table sets forth our Company's capital risk to asset ratios as of the dates indicated:

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Tier I Capital	9,396.23	9,439.38	14,069.89	9,059.46	16,887.31
Tier II Capital	1,799.17	2,623.87	4,014.71	2,272.93	4,990.41
Total Capital	11,195.40	12,063.25	18,084.60	11,332.39	21,877.72
Risk Weighted Assets	48,831.11	59,606.87	90,305.04	58,828.91	94,641.18

Particulars	As of/ For the year ended March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in percentages, except ratios)				
Capital Adequacy Ratio (%)	22.93%	20.24%	20.03%	19.26%	23.12%
Tier I Capital (%)	19.24%	15.84%	15.58%	15.40%	17.84%
Tier II Capital (%)	3.68%	4.40%	4.45%	3.86%	5.27%
Total Borrowings(1) to Total Equity ratio(2)	**4.43**	**5.19**	**5.46**	**4.90**	**4.40**

Notes:

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and collateralised borrowing principal outstanding as of the last day of the relevant period.

(2) Total Borrowings to Total Equity ratio represents Total Borrowings as of the last day of the relevant period upon Total Equity as of the last day of the relevant period.

Sources of Capital – Borrowing mix

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Debt Securities					
Non-convertible Debentures (Secured by book debts)	8,796.67	11,433.00	9,985.33	9,308.00	7,350.00
Non-convertible Debentures (Unsecured)	3,100.00	2,325.00	883.33	1,931.25	833.33
Borrowings (other than Debt Securities)					
Term loans:					
- Public sector banks	9,769.60	9,340.93	22,447.02	11,079.80	20,596.46
- Private sector banks	6,766.63	11,511.01	19,302.05	9,647.83	18,173.81
- Foreign banks	3,641.63	3,102.31	5,064.22	2,618.20	6,543.03
- From other parties	8,569.30	11,114.86	13,234.38	11,189.02	11,193.51
From FII as ECB	2,448.50	3,276.00	3,276.00	3,276.00	3,220.43
Borrowings under securitization arrangement*	940.25	-	5,060.80	-	5,775.26
Subordinated Liabilities					
- From banks	-	-	1,750.00	-	1,750.00
- From other parties	2,150.00	3,200.00	2,200.00	2,700.00	3,550.00
Total	**46,182.58**	**55,303.10**	**83,203.13**	**51,750.10**	**78,985.83**

** Excluding direct assignments.*

Sources of Capital – Borrowing mix (%)

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Debt Securities					
Non-convertible Debentures (Secured by book debts)	19.05%	20.67%	12.00%	17.99%	9.31%
Non-convertible Debentures (Unsecured)	6.71%	4.20%	1.06%	3.73%	1.06%
Borrowings (other than Debt Securities)					
Term loans:					
- Public sector banks	21.15%	16.89%	26.98%	21.41%	26.08%

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
- Private sector banks	14.65%	20.81%	23.20%	18.64%	23.01%
- Foreign banks	7.89%	5.61%	6.09%	5.06%	8.28%
- From other parties	18.56%	20.10%	15.91%	21.62%	14.17%
From FII as ECB	5.30%	5.92%	3.94%	6.33%	4.08%
Borrowings under securitization arrangement	2.04%	-	6.08%	-	7.31%
Subordinated Liabilities					
- From banks	-	-	2.10%	-	2.22%
- From other parties	4.66%	5.79%	2.64%	5.22%	4.49%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Type of Borrowings

Average Cost and Tenure of Borrowings

Particulars	As of/ For the year ended March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(in months, except percentages)				
Average Tenure of Borrowing[(1)]	25.00	27.45	25.51	27.78	25.26
Average Cost of Borrowing[(2)]	9.97%	11.20%	9.01%	2.59%	2.65%

Notes:

(1) Average Tenure of Borrowings represents weighted tenure based on residual tenure.

(2) Average Cost of Borrowings represents finance cost (including collateralized borrowing) 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 the relevant period and our Total Borrowings outstanding as of the last day of the previous period.

Number of Entities Borrowed From

Particulars	As of/ For the year ended March 31,			As of June 30,	
	2021	2022	2023	2022	2023
Banks	34	37	37	35	36
NBFCs and Financial Institutions	23	26	24	26	23
Total	57	63	61	61	59

Borrowings by Rate Method

Rate Method	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(Percentage Share)				
Fixed Rate Borrowings	69.46%	66.77%	49.79%	65.85%	51.95%
Floating Rate Borrowings	30.54%	33.23%	50.21%	34.15%	48.05%
Total[(1)]	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

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.

Digital Adoption

Set forth below are details relating to the adoption of digital methods our Company:

Productivity Ratios – MFI	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and unless stated otherwise)				
Cashless disbursement	35,697.50	51,869.04	83,973.30	10,983.66	18,143.19
Cashless disbursement, as a percentage of total disbursement (%)	100.00%	100.00%	100.00%	100.00%	100.00%
Digital collection[(1)]	-	3,322.25	9,299.67	1,850.84	3,169.05
Digital collection, as a percentage of total collection (%)	-	7.04%	13.80%	12.14%	14.72%

Note:

(1) Digital Collection for the financial year represents the amount collected through various digital channels such as BBPS and UPI during the relevant financial year.

Productivity – Overall

The following table sets forth certain productivity ratios for our Company:

Productivity Ratios – Overall	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and unless stated otherwise)				
Number of branches(1)	1,062	1,525	1,684	1,540	1,738
Number of on-roll employees(2)	7,570	12,609	15,874	12,551	16,034
- Number of field development assistants (Microfinance loans)	4,745	7,536	8,736	7,594	8,875
- Number of other employees	2,825	5,073	7,138	4,957	7,159
Number of active borrowers(3)	24,09,908	2,573,902	3,340,185	2,598,569	3,494,877
Number of active loan accounts(4)	3,767,226	3,899,514	4,620,361	3,790,191	4,799,158
AUM(5)	59,846.18	70,021.83	100,408.93	70,125.32	101,405.76
AUM per employee(6)	7.91	5.55	6.33	5.59	6.30
AUM per active borrower(7)	0.02	0.03	0.03	0.03	0.03
AUM per active loan account(8)	0.02	0.02	0.02	0.02	0.02
Number of loans disbursed	1,232,973	2,202,606	3,888,530	634,919	930,209
Gross disbursements(9)	36,052.30	85,396.73	192,481.21	34,325.82	48,299.69
Disbursement growth (%)(10)	(29.67)%	136.87%	125.40%	190.66%	40.71%
Disbursements per employee	4.76	6.77	12.13	2.73	3.01

Notes:

(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 active borrowers refers to our borrowers who had an active loan account as of the last day of the relevant period.
(4) Number of active loan accounts represents the aggregate number of all loan assets under management which includes loan assets held by our Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of assignment, and are outstanding as of the last day of the relevant period.
(5) AUM represents aggregate of On- Books Portfolio and assets pertaining to securitization as of the last day of the relevant period.
(6) AUM per employee represents AUM as of the last day of the relevant period divided by the number of on roll employees.
(7) AUM per active borrower represents AUM as of the last day of the relevant period divided by the number of active borrowers on such date.
(8) AUM per active loan account represents AUM as of the last day of the relevant period divided by the number of active loan accounts on such date.
(9) Gross disbursements represents the aggregate of all loan amounts extended to our borrowers in the relevant period.
(10) Disbursement growth represents growth in disbursements for the relevant period as a percentage of disbursements for the previous period.

Productivity – Microfinance loans

The following table sets forth certain productivity ratios for our Microfinance loans:

Productivity Ratios – Microfinance loans	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and unless stated otherwise)				
AUM – Microfinance loans(1)	59,408.76	66,529.78	92,972.07	65,460.84	93,104.47
Number of active borrowers(3)	2,408,503	2,537,031	3,245,210	2,547,603	3,388,555
Number of active loan accounts(3)	3,765,734	3,851,871	4,499,693	3,722,819	4,661,283
AUM covered under credit shield insurance	100.00%	100.00%	100.00%	100.00%	100.00%
Gross disbursements- Microfinance loans(4)	35,697.50	51,869.04	83,973.30	10,983.66	18,143.19
Disbursement growth (%)(5)	(23.63)%	45.30%	61.89%	29.58%	65.18%
Disbursement Yield on origination (%)	20.35%	24.00%	25.00%	24.00%	25.00%
Number of on-roll employees(6)	7,294	10,188	12,864	9,992	13,209
- Number of field development assistants/Loan Officer	4,745	7,536	8,736	7,594	8,875
- Number of other employees	2,549	2,652	4,128	2,398	4,334
AUM per employee(7)	8.14	6.53	7.23	6.55	7.05
AUM per active borrower(8)	0.02	0.03	0.03	0.03	0.03
AUM per active loan account(9)	0.02	0.02	0.02	0.02	0.02
Disbursement per employee(10)	4.89	5.09	6.53	1.10	1.37
Disbursement per FDA/Loan Officer	7.52	6.88	9.61	1.45	2.04
Collections	41,804.77	47,184.16	67,372.39	15,247.36	21,522.15
Collections efficiency (%)(11)	95.59%	85.01%	101.20%	100.95%	100.92%
Repeat loan accounts(12)	1,024,617	1,857,806	1,690,899	1,760,502	1,719,371
Proportion of repeat loan accounts (%)	42.84%	79.26%	54.15%	75.01%	52.50%
Unique loan accounts(13)	1,367,007	486,026	1,431,501	586,531	1,555,645
Proportion of unique loan accounts (%)	57.16%	20.74%	45.85%	24.99%	47.50%
Disbursement per active loan account	9,479.56	13,465.93	18,662.01	2,950.36	3,892.32

Notes:

(1) AUM for our Microfinance loan portfolio represents aggregate of On- Books Portfolio and assets pertaining to securitization, in connection with our Microfinance loans, as of the last day of the relevant period.
(2) Number of active borrowers refers to our Microfinance loan borrowers who had an active Microfinance loan account as of the last day of the relevant period.
(3) Number of active loan accounts represents the aggregate number of all Microfinance loan assets under management which includes loan assets held by our Company as of the last day of the relevant period.
(4) Gross disbursements – Microfinance loans represents the aggregate of all Microfinance loan amounts extended to our borrowers in the relevant period.
(5) Disbursement growth represents growth in Microfinance loan disbursements for the relevant period as a percentage of disbursements for the previous period.
(6) Number of on-roll employees represents aggregate number of employees of our Microfinance loan business, as of the last day of the relevant period.
(7) AUM per employee represents Microfinance loan AUM as of the last day of the relevant period divided by the number of on roll employees of our Microfinance loan business.
(8) AUM per active borrower represents Microfinance loan AUM as of the last day of the relevant period divided by the number of active Microfinance loan borrowers on such date.
(9) AUM per active loan account represents Microfinance loan AUM as of the last day of the relevant period divided by the number of active loan accounts for Microfinance loans on such date.
(10) Disbursement per employee represents Microfinance loan disbursements in the relevant period divided by the number of on roll employees of our Microfinance loan business, as of the last day of the relevant period.
(11) Collections efficiency represents the ratio of our Microfinance loan collections, including overdue collections, to billings in the relevant period.
(12) Repeat loan accounts represents the number of Microfinance loan borrowers who have taken one or more additional Microfinance loans from us after taking their initial Microfinance loan.
(13) Unique loan accounts refers to Microfinance loan borrowers who are in their first loan cycle with us.

Productivity – Loan against Gold

The following table sets forth certain productivity ratios for Loans against Gold provided by our Company (excluding all other loans):

Productivity Ratios – Loan against Gold	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and unless stated otherwise)				
AUM – Loan against Gold(1)	25.34	3,005.69	7,053.20	4,208.14	7,895.77
Average LTV (%)	62%	66%	64%	67%	63%
Number of active borrowers(3)	389	35,592	93,763	49,708	104,907
Number of active loan accounts(3)	494	46,364	119,456	66,116	136,460
Gross disbursements- Loan against Gold(4)	50.53	33,400.35	108,468.75	23,337.39	30,098.73
Number of on-roll employees(5)	195	2,350	2,943	2,518	2,767
AUM per employee(6)	0.13	1.28	2.40	1.67	2.85
AUM per active borrower(7)	0.07	0.08	0.08	0.08	0.08
AUM per active loan account(8)	0.05	0.06	0.06	0.06	0.06
Disbursement per employee(9)	0.26	14.21	36.86	9.27	10.88
Disbursement per active loan account	0.10	0.72	0.91	0.35	0.22
Closing tonnage(10)	0.01	0.99	2.11	1.34	2.27
Digital borrowers (11)	74	48,365	166,619	37,739	42,011

Notes:
(1) AUM for our Loan against Gold portfolio represents Loan Portfolio in connection with our Loan against Gold, as of the last day of the relevant period.
(2) Number of active borrowers refers to our Loan against Gold borrowers who had an active Loan against Gold account as of the last day of the relevant period.
(3) Number of active loan accounts represents the aggregate number of all Loan against Gold assets under management which includes loan assets held by our Company as of the last day of the relevant period.
(4) Gross disbursements – Loan against Gold represents the aggregate of all Loan against Gold amounts extended to our borrowers in the relevant period.
(5) Number of on-roll employees represents aggregate number of employees of our Loan against Gold business, as of the last day of the relevant period.
(6) AUM per employee represents Loan against Gold AUM as of the last day of the relevant period divided by the number of on roll employees of our Loan against Gold business.
(7) AUM per active borrower represents Loan against Gold AUM as of the last day of the relevant period divided by the number of active Loan against Gold borrowers on such date.
(8) AUM per active loan account represents Loan against Gold AUM as of the last day of the relevant period divided by the number of active loan accounts for Loan against Gold on such date.
(9) Disbursement per employee represents Loan against Gold disbursements in the relevant period divided by the number of on roll employees of our Loan against Gold business, as of the last day of the relevant period.
(10) Closing tonnage is calculated as weight of the collateral (gold) in tonnes as of the last day of the relevant period.
(11) Digital borrowers are borrowers who transact using Digital Gold loan App.

AUM Classification

AUM	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and unless stated otherwise)				
Pure Microfinance Loan[1]	59,408.76	66,529.78	90,039.65	65,460.84	88,555.66
Hybrid Microfinance Loan[2]	-	-	2,932.42	-	4,548.81
Total Microfinance Loan	**59,408.76**	**66,529.78**	**92,972.07**	**65,460.84**	**93,104.47**
Pure Loan against Gold[3]	25.34	3,005.70	2,341.72	4,208.14	2,593.00
Hybrid Loan against Gold[4]	-	-	4,711.48	-	5,302.77
Total Loan against Gold	**25.34**	**3,005.70**	**7,053.20**	**4,208.14**	**7,895.77**

Notes:

(1) Pure Microfinance Loan represents microfinance loan AUM derived from exclusive microfinance loan branches.
(2) Hybrid Microfinance Loan represents microfinance loan AUM derived from hybrid branches.
(3) Pure Loan against Gold represents Loan against Gold AUM derived from exclusive Loan against Gold branches.
(4) Hybrid Loan against Gold represents Loan against Gold AUM derived from hybrid branches.

Branch Productivity by Vintage – Overall

Set forth below are details of our branch productivity, based on the number of years since the respective branch commenced operations:

Branch Vintage	As of/ For the year ended March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	Number of branches*	Active borrowers per branch*	Number of branches*	Active borrowers per branch*	Number of branches*	Active borrowers per branch*	Number of branches*	Active borrowers per branch*	Number of branches*	Active borrowers per branch*
<1 year	27	871	468	1,247	224	364	418	1,397	197	531
1 – 3 years	240	1,790	157	2,142	425	2,402	211	2,088	506	2,465
> 3 years	795	2,529	900	2,354	1,035	2,786	911	2,410	1,035	2,860
Total	**1,062**	**5,190**	**1,525**	**5,743**	**1,684**	**5,551**	**1,540**	**5,895**	**1,738**	**5,857**

** Includes branches which are shared by our Microfinance loan and Loan against Gold portfolio. Also includes 17 branches from which Secured MSME loans are disbursed.*

Branch Vintage	As of/ For the year ended March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	AUM per branch*	Disbursement per branch*	AUM per branch*	Disbursement per branch*	AUM per branch*	Disbursement per branch*	AUM per branch*	Disbursement per branch*	AUM per branch*	Disbursement per branch*
	(₹ million)									
<1 year	4.63	5.74	19.99	70.80	21.16	59.02	21.50	21.50	29.92	25.00
1 – 3 years	39.38	21.69	40.17	80.84	35.20	250.07	36.70	36.70	32.33	57.90
> 3 years	63.23	38.61	60.40	43.97	77.98	70.51	58.61	58.61	76.48	13.60

** Includes branches which are shared by our Microfinance loan and Loan against Gold portfolio. Also includes 17 branches from which Secured MSME loans are disbursed.*

Branch Productivity by Vintage – Microfinance loan Branches

Branch Vintage	As of/ For the year ended March 31,								As of June 30,						
	2021*		2022			2023			2022			2023			
	Number of branches	Active borrowers per branch	Number of branches	Active borrowers per branch	Employees per branch	Number of branches	Active borrowers per branch	Employees per branch	Number of branches	Active borrowers per branch	Employees per branch	Number of branches	Active borrowers per branch	Employees per branch	
<1 year	2	829	179	1,127	5.06	2	264	6.00	165	1,263	5.34	2	444	5.50	
1 – 3 years	228	1,738	124	1,751	6.60	181	2,067	8.04	132	1,740	6.39	181	2,156	7.63	
> 3 years	795	2,529	900	2,354	8.97	1,023	2,733	9.82	906	2,328	8.72	1,023	2,811	9.89	
Total	**1,025**	**2,350.00**	**1,203**	**2,109.00**	**8.15**	**1,206**	**2,629.00**	**9.55**	**1,203**	**2,118.00**	**8.00**	**1,206**	**2,709.00**	**9.54**	

** Data for number of employees per branch has not been included due to non-availability of relevant data.*

Branch Vintage	As of/ For the year ended March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch
	(₹ million)									
<1 year	29.07	31.00	37.70	43.56	10.13	10.52	38.45	6.41	16.08	7.22
1 – 3 years	40.19	21.92	44.54	36.50	53.02	43.89	45.16	8.71	53.24	11.58
> 3 years	63.13	38.54	60.29	43.94	78.61	71.34	58.67	9.69	77.11	13.75
Total	**57.96**	**34.83**	**55.30**	**43.12**	**74.66**	**67.12**	**54.41**	**9.13**	**73.43**	**13.42**

Branch Productivity by Vintage – Loan against Gold Branches

Branch Vintage	As of/ For the year ended March 31,									As of June 30,					
	2021			2022			2023			2022			2023		
	Number of branches	Active borrowers per branch	Live Employees per branch	Number of branches	Active borrowers per branch	Live Employees per branch	Number of branches	Active borrowers per branch	Live Employees per branch	Number of branches	Active borrowers per branch	Live Employees per branch	Number of branches	Active borrowers per branch	Live Employees per branch
<1 year	21	19	5	288	104	6.78	222	100	5.47	252	116	6.78	195	87	4.13
1 – 3 years	-	-	-	17	333	7.10	239	299	5.41	68	303	6.76	320	275	4.70
> 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**21**	**19.00**	**5.00**	**305**	**117.00**	**6.80**	**461**	**203.00**	**5.44**	**320**	**155.00**	**6.78**	**515**	**204.00**	**4.48**

Vintage	As of/ For the year ended March 31,						As of June 30,			
	2021		2022		2023		2022		2023	
	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch
	(₹ million)									
<1 year	1.21	2.41	9.03	87.94	8.04	45.79	10.45	49.24	6.59	14.99
1 – 3 years	-	-	23.88	474.86	22.04	411.31	23.16	160.71	20.66	84.92
> 3 years	-	-	-	-	-	-	-	-	-	-
Total	**1.21**	**2.41**	**9.85**	**109.51**	**15.30**	**235.29**	**13.15**	**72.93**	**15.33**	**58.44**

Branch Productivity– Hybrid Branches (Microfinance loan and Loan against Gold)

As of/ For the year ended March 31,						As of June 30,			
2021		2022		2023		2022		2023	
Number of branches	Active borrowers per branch	Number of branches	Active borrowers per branch	Number of branches	Active borrowers per branch	Number of branches	Active borrowers per branch	Number of branches	Active borrowers per branch
-	-	-	-	**283**	488.94	-	-	**294**	657.65

As of/ For the year ended March 31,						As of June 30,			
2021		2022		2023		2022		2023	
AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch	AUM per branch	Disbursement per branch
(₹ million)									
-	-	-	-	27.01	298.51	-	-	33.51	81.17

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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

INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,

The Board of Directors,
Asirvad Micro Finance Limited
9th and 10th Floor, 9, Club house road,
Annasalai, Royapettah,
Chennai – 600 002
Tamil Nadu, India

Dear Sirs,

1. We, M. P. Chitale & Co., Chartered Accountants ('we') have examined the attached Restated Financial Information of Asirvad Micro Finance Limited (the 'Company'), comprising the Restated Statement of Assets and Liabilities as at June 30, 2023, June 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the three months period ended June 30, 2023 & June 30, 2022 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 22, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with the Issuer's proposed Initial Public Offer of equity shares of face value of Rs. 10 each ("IPO"), prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the 'Act');

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI") and relevant stock exchanges where the equity shares of the Company are proposed to be listed, in connection with the IPO. The Restated Financial Information have

been prepared by the management of the Company on the basis of preparation stated in Note 2 to the Restated Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 09, 2023 in connection with the IPO of equity shares of the Company.

    b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

    d) The requirements of Section 26 of the Act and the ICDR Regulations.

    e) 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 IPO.

4. These Restated Financial Information have been compiled by the management from:

    a) Audited special purpose interim Ind AS Financial Statements as at and for the three months period ended June 30, 2023 prepared in accordance with Indian Accounting Standards ('Ind AS') 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 (the 'special purpose interim Ind AS Financial Statements') which have been approved by the Board of Directors at their meeting held on September 22, 2023.

    b) Audited special purpose interim Ind AS Financial Statements as at and for the three months period ended June 30, 2022 prepared in accordance with Ind AS 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 (the 'special purpose interim Ind AS Financial Statements') which have been approved by the Board of Directors at their meeting held on September 22, 2023.

c) Audited Ind AS Financial Statements as at and for the year ended March 31, 2023 prepared in accordance with 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 which have been approved by the Board of Directors at their meeting held on May 09, 2023.

d) Audited Ind AS Financial Statements of the Company as at and for the year ended March 31, 2022 which were prepared in accordance with the 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, which have been approved by the Board of Directors at their meeting held on May 16, 2022.

e) Audited special purpose Ind AS Financial Statements as at and for the year ended March 31, 2021, which were prepared in accordance with the 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, which have been approved by the Board of Directors at their meeting held on September 22, 2023.

5. For the purpose of our examination, we have also relied on:

a) Auditors' Report issued by us dated September 22, 2023 on the special purpose interim Ind AS Financial Statements of the Company as at and for the three months period ended June 30, 2023 as referred in Para 4(a) above;

b) Auditors' Report issued by us dated September 22, 2023 on the special purpose interim Ind AS Financial Statements of the Company as at and for the three months period ended June 30, 2022 as referred in Para 4(b) above

c) Auditors' Report issued by us dated May 09, 2023 on the Financial Statements of the Company for the year ended March 31, 2023 as referred in Para 4(c) above;

d) Auditors' Report issued by us dated May 16, 2022 on the Financial Statements of the Company for the year ended March 31, 2022 as referred in Para 4(d) above; and

e) Auditors' Report issued by us dated September 22, 2023 on the special purpose Ind AS Financial Statements of the Company for the year ended March 31, 2021 as referred in Para 4(e) above;

6. i) The Auditor's report on the special purpose interim Ind AS Financial Statements as at and for the three months period ended June 30, 2023 issued by us dated September 22, 2023, as referred in paragraph 4 above, contained the following Emphasis of Matters paragraphs (also refer Note 2 to the Restated Financial Information):

Emphasis of Matter

Basis of Preparation and Restrictions on Distribution and Use

We draw attention to Note 2 to the special purpose interim Ind AS Financial Statements, which describes basis of preparation. The special purpose interim Ind AS Financial Statements as at and for the three months ended June 30, 2023 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The special purpose interim Ind AS Financial Statements are prepared pursuant to the requirements to prepare the Restated Financial Information, which will be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus in connection with the IPO. As a result, the special purpose interim Ind AS Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used for any other purpose.

Our opinion is not modified in respect of above matter.

ii) The Auditor's report on the special purpose interim Ind AS Financial Statements as at and for the three months period ended June 30, 2022 issued by us dated September 22, 2023, as referred in paragraph 4 above, contained the following Emphasis of Matters paragraphs:

Emphasis of Matter

Basis of Preparation and Restrictions on Distribution and Use

We draw attention to Note 2 to the special purpose interim Ind AS Financial Statements, which describes basis of preparation. The special purpose interim Ind AS Financial Statements as at and for the three months ended June 30, 2022 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, except that they do not contain comparative information and related disclosures and explanatory notes.

The special purpose interim Ind AS Financial Statements are prepared pursuant to the requirements to prepare the Restated Financial Information, which will be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus in connection with the IPO. As a result, the special purpose interim Ind AS Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or be used for any other purpose.

Our opinion is not modified in respect of this matter

iii) The Auditor's report on the special purpose Ind AS Financial Statements as at year ended March 31, 2021 issued by us dated September 22, 2023, as referred in paragraph 4 above, contained the following Emphasis of Matters paragraphs:

Emphasis of Matter

a) We draw attention to Note 2 to the special purpose Ind AS Financial Statements, which describes the basis of preparation. The special purpose Ind AS Financial Statements for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, except that they do not contain comparative information and related disclosures and explanatory notes.

   The special purpose Ind AS Financial Statements are prepared pursuant to the requirements to prepare the Restated Financial Information, which will be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus in connection with the IPO. As a result, the special purpose Ind AS Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed or be used for any other purpose.

b) We draw attention to Note 65 to the special purpose Ind AS Financial Statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's financial performance will depend on future developments, which are highly uncertain. The Financial Statements do not include any adjustments that might result from the outcome of this uncertainty except to the extent stated in the said note.

c) As more fully described in Note 65 to the special purpose Ind AS Financial Statements, the Company has restructured borrower accounts in accordance with resolution framework for COVID-19 related stress announced by the RBI vide notification dated August 6, 2020.

d) We draw attention to Note 52 to the special purpose Ind AS Financial Statements, which describes the adjustments made to the opening reserves to give effect to the prior period errors related to ESOP accounting and consequential tax impact.

   Our opinion is not modified in respect of these matters

ii) The Audit reports as at and for the years ended March 31, 2023 and March 31, 2022 issued by us dated May 09, 2023 & May 16, 2022, respectively, as referred in paragraph 4 above, contained the following Emphasis of Matters paragraph:

For the year ended March 31, 2023

Emphasis of Matter

We draw attention to Note 64 to the Standalone Financial Statements in relation to the restatement of the comparative financial information for the year ended March 31, 2022 relating to the accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the parent entity's accounting policy and the requirements of Ind AS 109 'Financial Instruments'.

Our opinion is not modified in respect of this matter

For the year ended March 31, 2022

Other Matter

The Standalone Financial Statements of the Company as at March 31, 2021 were audited by the predecessor auditor, who have expressed an unmodified opinion on those Standalone Financial Statements vide their audit report dated May 24, 2021.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

    a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the three months period ended June 30, 2022 and in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended June 30, 2023 as more fully described in Note 2(I)(b)&(c) to the Restated Financial Information;

    b) does not contain any qualifications requiring adjustments, further the matter(s) giving rise to emphasis of matter paragraph and other matter paragraph mentioned in Para 6 above does not require any adjustments; and

    c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim Ind AS Financial Statements and audited Financial Statements mentioned in Para 4(a) above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the Financial Statements referred to herein.

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

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India and relevant stock exchanges in connection with the IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For M. P. Chitale & Co
Chartered Accountants
ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership No.: 143700
UDIN: 23143700BGXAXV8837

Place: Pune
Date: September 22, 2023

Asirvad Micro Finance Limited
Restated Statement of Assets and Liabilities
CIN-U65923TN2007PLC064550

(All amounts in ₹ Millions unless otherwise stated)

	Particulars	Note No.	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I	**Assets**						
1	**Financial assets**						
	(a) Cash and cash equivalents	5	7,134.29	3,656.55	5,499.21	7,925.13	6,954.68
	(b) Bank balance other than (a) above	6	2,936.98	1,827.34	3,367.88	1,257.12	1,872.20
	(c) Loans	7(a)	82,790.23	54,482.20	86,688.96	54,285.53	47,739.54
	(d) Loans given to staff	7(b)	40.64	0.31	2.01	0.51	7.50
	(e) Investments	8	2,186.39	1,004.86	1,970.64	1,043.65	0.90
	(f) Derivative financial instruments	14	213.22	38.20	262.98	13.14	-
	(g) Other financial assets	9	2,790.96	1,010.58	1,228.39	1,206.92	712.00
	Total Financial assets		**98,092.71**	**62,020.03**	**99,020.07**	**65,732.00**	**57,286.82**
2	**Non-financial Assets**						
	(a) Current tax assets (net)	10	256.52	184.79	345.18	351.26	113.30
	(b) Deferred tax assets (net)	11 (a)	519.14	1,233.15	717.42	939.01	831.12
	(c) Investment property	12	0.86	0.86	0.86	0.86	0.86
	(d) Property, plant and equipment	12	748.07	358.28	701.24	342.33	68.79
	(e) Right of use asset	12	993.42	887.49	936.31	739.66	89.46
	(f) Other intangible assets	12	86.91	21.05	66.99	14.20	25.97
	(g) Intangible assets under development	12	-	-	-	9.42	5.45
	(h) Other non financial assets	13	125.05	91.43	127.81	108.00	77.78
	Total Non-financial assets		**2,729.97**	**2,777.05**	**2,895.81**	**2,504.74**	**1,212.72**
	Total Assets		**1,00,822.68**	**64,797.09**	**1,01,915.88**	**68,236.74**	**58,499.54**
II	**Liabilities and equity**						
1	**Financial liabilities**						
	(a) Derivative financial instruments	14	-	-	-	-	13.53
	(b) Other payables	15					
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		222.16	192.12	178.70	272.45	247.06
	(c) Debt securities	16	8,820.78	11,239.41	11,584.79	13,854.34	12,190.54
	(d) Borrowings (other than debt securities)	17	65,226.39	38,080.18	68,736.05	38,541.23	32,403.45
	(e) Subordinated liabilities	18	5,363.78	2,674.11	3,940.11	3,192.04	2,147.69
	(f) Other financial liabilities	19	2,821.66	1,786.65	1,741.30	1,376.34	657.30
	Total Financial liabilities		**82,454.77**	**53,972.47**	**86,180.95**	**57,236.40**	**47,659.57**
2	**Non-financial liabilities**						
	(a) Current tax liabilities (net)	20 (a)	-	-	-	-	-
	(b) Provisions	20 (b)	149.98	84.36	104.80	149.76	150.68
	(c) Other non-financial liabilities	21	168.70	128.75	190.05	142.09	131.66
	Total Non-financial liabilities		**318.68**	**213.11**	**294.85**	**291.85**	**282.34**
3	**Equity**						
	(a) Equity share capital	22	667.61	533.12	626.40	533.12	533.12
	(b) Other equity	23	17,381.62	10,078.39	14,813.68	10,175.37	10,024.51
	Total Equity		**18,049.23**	**10,611.51**	**15,440.08**	**10,708.49**	**10,557.63**
	Total Liabilities and Equity		**1,00,822.68**	**64,797.09**	**1,01,915.88**	**68,236.74**	**58,499.54**
	Corporate Information and Significant Accounting Policies	1-3					

The accompanying notes from 1 to 67 form an integral part of these Restated Financial Information
As per our report of even date attached

For M. P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration No: 101851W

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

V P Nandakumar
Chairman
(DIN No.00044512)

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Date: September 22, 2023
Place: Pune

Rajesh KRN Namboodiripad
Chief Financial Officer

Aparna Menon
Company Secretary

Date: September 22, 2023
Place: Valapad

Asirvad Micro Finance Limited
Restated Statement of Profit and Loss
CIN-U65923TN2007PLC064550

(All amounts in ₹ Millions unless otherwise stated)

	Particulars	Note No.	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
I	**Revenue from operations**						
	Interest income	24 (a)	5,737.12	3,270.37	15,452.38	11,930.32	9,576.29
	Net Gain on derecognition of financial instruments under amortised cost category	24 (b)	551.32	104.44	1,036.95	1,169.72	714.80
	Dividend income and gain on sale of mutual fund	24 (c)	-	-	-	111.88	128.69
	Other operating income	25	82.19	231.61	662.62	466.98	109.92
	Total Revenue from operations		**6,370.63**	**3,606.42**	**17,151.95**	**13,678.90**	**10,529.70**
II	Other income	26	146.16	7.32	440.81	440.00	242.15
III	**Total income (I + II)**		**6,516.79**	**3,613.74**	**17,592.76**	**14,118.90**	**10,771.85**
IV	**Expenses**						
	Finance cost	27	2,172.22	1,394.23	6,298.47	5,727.93	4,575.41
	Impairment of financial instruments	28	960.59	1,186.76	2,736.84	4,068.22	2,998.09
	Employee benefit expenses	29	1,209.85	771.29	3,966.40	2,688.49	1,894.23
	Depreciation and amortisation expense	30	103.13	126.10	339.71	352.35	118.37
	Other expenses	31	464.18	243.95	1,142.08	1,087.27	887.85
	Total expenses (IV)		**4,909.97**	**3,722.33**	**14,483.50**	**13,924.26**	**10,473.95**
V	**Profit / (Loss) before exceptional items and tax (III - IV)**		**1,606.82**	**(108.59)**	**3,109.26**	**194.64**	**297.90**
VI	**Exceptional items**		-	-	-	-	-
VII	**Profit / (Loss) before tax for the period / year (V- VI)**		**1,606.82**	**(108.59)**	**3,109.26**	**194.64**	**297.90**
VIII	**Tax expense**						
	(1) Current tax	11 (b)	258.81	270.32	631.83	195.61	661.89
	(2) Deferred tax charge / (credit)	11 (b)	203.50	(291.99)	219.46	(112.91)	(483.91)
	(3) Tax relating to earlier years	11 (b)	17.26	-	23.69	(27.36)	(41.09)
	Total Tax expense		**479.57**	**(21.67)**	**874.98**	**55.34**	**136.89**
IX	**Profit / (Loss) after tax for the period / year (VII - VIII)**		**1,127.25**	**(86.92)**	**2,234.28**	**139.30**	**161.01**
X	**Other comprehensive income**	23					
A	(i) Items that will not be reclassified to profit or loss:						
	a. Remeasurement gains and (losses) on defined benefit obligations (net)		(6.45)	(1.14)	(4.97)	15.58	(18.43)
	b. Fair value changes in equity instrument		-	-	-	(0.33)	0.40
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.62	0.29	1.25	(3.84)	4.54
	Subtotal (A)		**(4.83)**	**(0.85)**	**(3.72)**	**11.41**	**(13.49)**
B	(i) Items that will be reclassified to profit or loss						
	a. Fair value changes on derivatives designated as cash flow hedge (net)		(29.15)	30.02	30.00	29.04	6.50
	b. Fair value changes on Investment held as FVOCI		12.21	(38.77)	(23.48)	(27.77)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		4.26	2.20	(1.64)	(0.32)	(1.64)
	Subtotal (B)		**(12.68)**	**(6.55)**	**4.88**	**0.95**	**4.86**
	Other comprehensive Income / (Loss) for the period / year (A + B)		**(17.51)**	**(7.40)**	**1.16**	**12.36**	**(8.63)**
XI	**Total comprehensive Income / (Loss) for the period / year (IX + X)**		**1,109.74**	**(94.32)**	**2,235.44**	**151.66**	**152.38**
XII	**Earnings per equity share (Face Value of Rs. 10/- per share)**	33					
	- Basic (Rs.)		5.99	(0.54)	12.84	0.87	1.01
	- Diluted (Rs.)		5.99	(0.54)	12.84	0.87	1.01
	EPS for Three months period ended June 30, 2022 and June 30, 2023 are not annualised						
	Corporate Information and Significant Accounting Policies	1-3					

The accompanying notes from 1 to 67 form an integral part of these Restated Financial Information
As per our report of even date attached

For M. P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration No: 101851W

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

V P Nandakumar
Chairman
(DIN No.00044512)

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Date: September 22, 2023
Place: Pune

Rajesh KRN Namboodiripad
Chief Financial Officer

Aparna Menon
Company Secretary

Date: September 22, 2023
Place: Valapad

Asirvad Micro Finance Limited
Restated Cash Flow statement
CIN-U65923TN2007PLC064550

(All amounts in ₹ Millions unless otherwise stated)

	Particulars	Three months period ended 30 June 2023	Three months period ended 30 June 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
A	**Cash flow from operating activities**					
	Profit / (Loss) before tax for the period / year	**1,606.82**	**(108.59)**	**3,109.26**	**194.64**	**297.90**
	Adjustments for:					
	Depreciation and amortisation expense	103.13	126.10	339.71	352.35	118.37
	Impairment of financial instruments Amortisation of assets & Loss on derecognition of financial assets (Refer note no 10)	960.59	1,186.76	2,736.84	4,068.22	2,998.09
	Provision for insurance claim receivable	70.29	14.95	(17.62)	33.95	30.17
	Loss/(Profit) on sale of fixed assets (net)		-	-	-	0.01
	Dividend income	-	-	-	(111.88)	(128.69)
	Finance cost	2,172.22	1,394.23	6,298.47	5,727.93	4,575.41
	Interest on deposits	(96.10)	(79.40)	(409.33)	(192.57)	(277.50)
	Share based payments to employees	0.06	(1.51)	(2.10)	0.07	8.22
	Operating profit before working capital changes	**4,817.01**	**2,532.54**	**12,055.23**	**10,072.71**	**7,621.98**
	Changes in working capital:					
	Adjustments for (increase) / decrease in operating assets:					
	Loans	2,938.14	(1,383.43)	(35,140.27)	(10,614.21)	(7,304.87)
	Loans given to staff	(38.63)	0.21	(1.50)	6.99	2.73
	Other financial assets	(1,632.86)	73.07	(3.85)	(583.67)	210.27
	Other non financial assets	2.76	16.57	(19.81)	(30.22)	(36.77)
	Adjustments for increase / (decrease) in operating liabilities:					
	Trade payables	43.46	(80.33)	(93.75)	27.16	70.79
	Other financial liabilities	939.29	252.26	(0.11)	0.00	187.10
	Other non financial liabilities	(21.34)	(13.34)	47.96	10.44	(2,860.60)
	Other provisions	38.73	(66.54)	(49.93)	14.66	16.53
	Net cash flow generated / (used in) operations	**7,086.56**	**1,331.01**	**(23,206.03)**	**(1,096.14)**	**(2,092.84)**
	Net Income tax paid	(187.40)	(104.65)	(643.31)	(406.20)	(582.70)
	Net cash generated / (used in) in operating activities (A)	**6,899.16**	**1,226.36**	**(23,849.34)**	**(1,502.34)**	**(2,675.54)**
B	**Cash flow from investing activities**					
	Proceeds from sale of property, plant and equipment	-	-	-	-	2.50
	Purchase of property, plant and equipment	(84.84)	(83.34)	(456.23)	(491.23)	(80.14)
	Purchase of other intangible assets	(27.53)	(11.35)	(66.72)	(31.71)	(45.65)
	Net movement in bank deposits	489.35	(598.41)	(2,081.45)	625.94	101.35
	Dividend received	-	-	-	111.88	128.69
	Investments	(203.54)	0.02	(950.47)	(1,070.85)	(0.00)
	Interest income on deposits	37.65	107.60	380.01	181.70	326.91
	Net cash flow generated / (used in) from investing activities (B)	**211.09**	**(585.49)**	**(3,174.86)**	**(674.27)**	**433.66**
C	**Cash flow from financing activities**					
	Increase in Share Capital	41.21	-	93.28	-	-
	Increase in Security Premium	1,458.78	-	2,406.72	-	-
	Proceeds from long term borrowings - term loans	5,850.00	5,000.00	53,427.60	33,816.70	19,724.50
	Repayment of long term borrowings - term loans	(9,487.32)	(5,652.35)	(22,622.98)	(28,530.89)	(25,475.93)
	Interest paid on term loans	(1,390.55)	(698.60)	(4,019.42)	(3,373.90)	(3,159.01)
	Proceeds from long term borrowings - debentures	1,500.00	-	3,900.00	8,930.00	11,150.00
	Repayment of long term borrowings - debentures	(2,835.33)	(3,018.75)	(6,056.73)	(5,931.56)	(3,557.50)
	Interest paid on debentures	(411.42)	(508.33)	(1,311.33)	(1,682.91)	(858.65)
	Interest paid on securitisation	(94.75)	-	(22.49)	(8.47)	(337.85)
	Repayment of Over Draft	(751.74)	-	(1,001.86)		
	Interest paid on OD	(11.33)	-	(33.48)	-	-
	Repayment of securitisation borrowings	752.33	-		-	-
	Proceeds from short term borrowings - commercial paper	590.62	-	3,469.57	-	(226.66)
	Repayment of short term borrowings - commercial paper	(590.62)	-	(3,469.57)	-	(23.34)
	Interest paid on Commercial Borrowing	(9.38)		(47.65)		
	Processing and arranger Fee paid	(36.80)				
	Other interest and charges paid	(48.87)	(31.42)	(113.39)	(71.91)	(46.44)
	Net cash flow generated / (used in) from financing activities (C)	**(5,475.17)**	**(4,909.45)**	**24,598.28**	**3,147.06**	**(2,810.88)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,635.08	(4,268.58)	(2,425.92)	970.46	(5,052.76)
	Cash and cash equivalents at the beginning of the period / year	5,499.21	7,925.13	7,925.13	6,954.68	12,007.44
	Cash and cash equivalents at the end of the period / year (Refer Note 5)	**7,134.29**	**3,656.55**	**5,499.21**	**7,925.13**	**6,954.68**
	Cash and cash equivalents as per above comprise of the following					
	(a) Cash on hand	300.51	284.36	319.68	226.86	22.47
	(b) Balances with banks					
	- In current accounts	5,333.52	1,651.57	3,929.23	2,386.05	2,209.95
	- In deposit accounts - with original maturity of less than 3 months	1,500.26	1,720.62	1,250.30	5,312.22	4,722.26
	Balance as per statement of cash flow	**7,134.29**	**3,656.55**	**5,499.21**	**7,925.13**	**6,954.68**

Corporate Information and Significant Accounting Policies 1-3

The accompanying notes from 1 to 67 form an integral part of these Restated Financial Information
As per our report of even date attached

For M. P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: September 22, 2023
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Rajesh KRN Namboodiripad
Chief Financial Officer

Aparna Menon
Company Secretary

Date: September 22, 2023
Place: Valapad

Asirvad Micro Finance Limited
Restated Statement of changes in equity (SOCIE)
CIN-U65923TN2007PLC064550

(All amounts in ₹ Millions unless otherwise stated)

A. Equity Share Capital

Particular	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the reporting period	626.40	533.12	533.12	533.12	533.12
Changes in Equity Share Capital due to prior period errors					-
Changes in equity share capital during the current period / year	41.21	-	93.28	-	-
Balance at the end of the reporting period	**667.61**	**533.12**	**626.40**	**533.12**	**533.12**

B. Other Equity

(1) For the three months ended June 30, 2023

Particulars	Reserves and Surplus							Other Comprehensive Income						
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	ESOP Contribution	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through other comprehensive income	Other instrument through other comprehensive income	OCI (Tax related to items that will be reclassified)	Tax related to items that will not be reclassified	Total
Balance at the beginning of the current reporting period (As at April 01,2023)	7,987.81	1,449.15	50.00	-	5.36	11.37	5,303.12	(4.30)	65.54	0.07	(51.25)	(3.60)	0.41	**14,813.68**
Changes in accounting policy or prior period errors	-	-	-	-		-	-	-	-				-	**-**
Restated balance at the beginning of the current reporting period	7,987.81	1,449.15	50.00	-	5.36	11.37	5,303.12	(4.30)	65.54	0.07	(51.25)	(3.60)	0.41	**14,813.68**
Total Comprehensive Income for the current period	-	-	-	-	0.06	-	1,127.25	(6.45)	(29.15)	-	12.21	4.26	1.62	**1,109.80**
Issue of share capital	1,458.79	-	-	-	-	-	-	-	-	-	-	-	-	**1,458.79**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Transfer To/From	-	-	-	-	(2.62)	2.62	-	-	-	-	-	-	-	**(0.00)**
Reversal During the period	-	-	-	-	-	(0.66)	-	-	-	-	-	-	-	**(0.66)**
Balance at the end of the current reporting period(As at June 30,2023)	**9,446.60**	**1,449.15**	**50.00**	**-**	**2.80**	**13.33**	**6,430.37**	**(10.75)**	**36.39**	**0.07**	**(39.04)**	**0.66**	**2.03**	**17,381.61**

(2) For the three months ended June 30, 2022

Particulars	Reserves and Surplus							Other Comprehensive Income						
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	ESOP Contribution	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through other comprehensive income	Other instrument through other comprehensive income	OCI (Tax related to items that will be reclassified)	Tax related to items that will not be reclassified	Total
Balance at the beginning of the current reporting period(As at April 01, 2022)	5,581.09	1,002.29	50.00	-	14.40	6.18	3,515.70	0.67	35.54	0.07	(27.77)	(1.96)	(0.84)	**10,175.37**
Changes in accounting policy or prior period errors	-	-	-	-		-	-	-	-				-	**-**
Restated balance at the beginning of the current reporting period	5,581.09	1,002.29	50.00	-	14.40	6.18	3,515.70	0.67	35.54	0.07	(27.77)	(1.96)	(0.84)	**10,175.37**
Total Comprehensive Income for the current period	-	-	-	-		-	(86.91)	(1.14)	30.02	-	(38.78)	2.20	0.29	**(94.32)**
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Transfer To/From	-	-	-	-	(4.60)	4.60	-	-	-	-	-	-	-	**-**
Reversal During the period	-	-	-	-	(1.51)	(1.16)	-	-	-	-	-	-	-	**(2.67)**
Balance at the end of the current reporting period(As at June 30, 2022)	**5,581.09**	**1,002.29**	**50.00**	**-**	**8.29**	**9.62**	**3,428.79**	**(0.47)**	**65.56**	**0.07**	**(66.55)**	**0.24**	**(0.55)**	**10,078.38**

(3) For the Year Ended March 31, 2023

Particulars	Reserves and Surplus							Other Comprehensive Income						
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	ESOP Contribution	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through other comprehensive income	Other instrument through other comprehensive income	OCI (Tax related to items that will be reclassified)	Tax related to items that will not be reclassified	Total
Balance at the beginning of the current reporting period (As at April 01,2022)	5,581.09	1,002.29	50.00	-	14.40	6.18	3,515.70	0.67	35.54	0.07	(27.77)	(1.96)	(0.84)	**10,175.37**
Changes in accounting policy or prior period errors	-	-	-	-		-	-	-	-				-	**-**
Restated balance at the beginning of the current reporting period	5,581.09	1,002.29	50.00	-	14.40	6.18	3,515.70	0.67	35.54	0.07	(27.77)	(1.96)	(0.84)	**10,175.37**
Total Comprehensive Income for the current year	-	-	-	-	-	-	2,234.28	(4.97)	30.00	-	(23.48)	(1.64)	1.25	**2,235.44**
Issue of share capital	2,406.72	-	-	-	-	-	-	-	-	-	-	-	-	**2,406.72**
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Transfer To/From	-	446.86	-	-	(6.94)	6.94	(446.86)	-	-	-	-	-	-	**0.00**
Reversal During the Year	-	-	-	-	(2.10)	(1.75)	-	-	-	-	-	-	-	**(3.85)**
Balance at the end of the current reporting period(As at March 31,2023)	**7,987.81**	**1,449.15**	**50.00**	**-**	**5.36**	**11.37**	**5,303.12**	**(4.30)**	**65.54**	**0.07**	**(51.25)**	**(3.60)**	**0.41**	**14,813.68**

(4) For the Year Ended March 31, 2022

Particulars	Reserves and Surplus							Other Comprehensive Income						
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	ESOP Contribution	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through other comprehensive income	Other instrument through other comprehensive income	OCI (Tax related to items that will be reclassified)	OCI (Tax related to items that will not be reclassified)	Total
Balance at the beginning of the current reporting period(As at April 01,2021)	5,581.09	974.43	50.00	-	17.79	3.59	3,404.26	(14.91)	6.50	0.40	-	(1.64)	3.00	**10,024.51**
Changes in accounting policy or prior period errors	-	-	-	-		-	-	-	-				-	**-**
Restated balance at the beginning of the current reporting period	5,581.09	974.43	50.00	-	17.79	3.59	3,404.26	(14.91)	6.50	0.40	-	(1.64)	3.00	**10,024.51**
Total Comprehensive Income for the current year	-	-	-	-	0.07	-	139.30	15.58	29.04	(0.33)	(27.77)	(0.32)	(3.84)	**151.73**
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Transfer To/From	-	27.86	-	-	(3.46)	3.46	(27.86)	-	-	-	-	-	-	**0.00**
Reversal During the Year	-	-	-	-	-	(0.87)	-	-	-	-	-	-	-	**(0.87)**
Balance at the end of the current reporting period(As at March 31,2022)	**5,581.09**	**1,002.29**	**50.00**	**-**	**14.40**	**6.18**	**3,515.70**	**0.67**	**35.54**	**0.07**	**(27.77)**	**(1.96)**	**(0.84)**	**10,175.37**

(5) For the Year Ended March 31, 2021

Particulars	Reserves and Surplus							Other Comprehensive Income						
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	ESOP Contribution	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Equity instrument through other comprehensive income	Other instrument through other comprehensive income	OCI (Tax related to items that will be reclassified)	OCI (Tax related to items that will not be reclassified)	Total
Balance at the beginning of the current reporting period(As at April 01,2020)	5,581.09	941.93	50.00	2.26	7.31	3.59	3,275.75	3.52	-	-	-	-	(1.54)	**9,863.91**
Changes in accounting policy or prior period errors	-	-	-	-		-	-	-	-				-	**-**
Restated balance at the beginning of the current reporting period	5,581.09	941.93	50.00	2.26	7.31	3.59	3,275.75	3.52	-	-	-	-	(1.54)	**9,863.91**
Total Comprehensive Income for the current year	-	-	-	-	10.48	-	161.01	(18.43)	6.50	0.40	-	(1.64)	4.54	**162.86**
Issue of share capital	-													**-**
Dividends	-	-	-	-		-	-	-	-				-	**-**
Transfer To/From	-	32.50	-	-		-	(32.50)	-	-				-	**-**
Reversal During the Year	-	-	-	(2.26)	-	-	-	-	-				-	**(2.26)**
Balance at the end of the current reporting period(As at March 31,2021)	**5,581.09**	**974.43**	**50.00**	**-**	**17.79**	**3.59**	**3,404.26**	**(14.91)**	**6.50**	**0.40**	**-**	**(1.64)**	**3.00**	**10,024.51**

The accompanying notes from 1 to 67 form an integral part of these Restated Financial Information
This is the statement of profit and loss referred to in our report of even date

For M. P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration No: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: September 22, 2023
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Rajesh KRN Namboodiripad
Chief Financial Officer

Aparna Menon
Company Secretary

Date: September 22, 2023
Place: Valapad

1 Corporate information

Asirvad Micro Finance Limited was incorporated in August 29, 2007 under the provisions of Companies Act, 1956. The Company is a Non-Banking Financial Company - Systemically Important Non-Deposit taking Company – Microfinance Institution (NBFC-MFI). The company is registered as a Microfinance Institution under the Non Banking Financial Company-Micro Finance Institution (Reserve Bank) Directions, 2011 as amended, vide RBI letter dated October 04, 2013 with Registration Number N-07-00769 dated October 04, 2013.The company's registered address is 9th Floor, No 9, Club House Road, Anna Salai, Chennai - 600002

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral free loans with fortnightly/monthly repayments. The company follows the Grameen Model with suitable adoptions using the group where each member is responsible for the loan repayment of the other members of the group.
In addition to the core business of providing micro-credit, the company also provides secured loans to Micro Small and Medium Enterprise ('MSME') and also provides gold loans.

2 Basis of preparation and presentation of restated financial information

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

The Restated Financial Information comprises the Ind AS Restated Statement of Assets and Liabilities as at June 30, 2023, June 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Ind AS Statement of Profit and Loss (including other comprehensive income (OCI), the Restated Ind AS Statement of Cash Flows, the Restated Ind AS Statement of Changes in Equity for the three month periods ended June 30, 2023 and June 30, 2022 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Statement of Significant Accounting Policies and other explanatory notes thereto (together referred to as "Restated Financial Information") have been prepared specifically for inclusion in the draft red herring prospectus (the "DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited and the National Stock Exchange of India Limited in connection with proposed initial public offer ("IPO") of equity shares (Face Value of Rs. 10 each) of the Company (the "Offering").

These Restated Ind AS Financial Information have been approved by the Board of Directors on September 22, 2023.
These restated Ind AS Financial information have been prepared to comply in all material respects with the requirements of:
(i) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (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"), as amended ("ICDR Regulations"); and
(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) as amended (the "Guidance Note").

These Restated Ind AS Financial Information have been compiled by the Management from :

(i) Audited special purpose interim Ind AS financial statements of the Company as at and for the three month period ended June 30, 2023 prepared in accordance with Indian Accounting Standard (Ind AS) 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 (the "June 2023 Special Purpose Interim Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on September 22, 2023.

(ii) Audited Ind AS financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with the 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 (the "2023 Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on May 09, 2023.

(iii) Audited special purpose interim Ind AS financial statements of the Company as at and for the three month period ended June 30, 2022 prepared in accordance with Indian Accounting Standard (Ind AS) 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 (the "June 2022 Special Purpose Interim Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on September 22, 2023.

(iv) Audited Ind AS financial statements of the Company as at and for the year ended 31 March 2022 prepared in accordance with the 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 (the "2022 Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on May 16,2022.

(v) Audited special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with Ind AS 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 (the "2021 Special Purpose Interim Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on September 22, 2023.

Presentation of Restated Financial Information

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity are presented in the format prescribed under Division III of Schedule III to the Companies Act, 2013 as amended from time to time, for Non Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS - 7 Statement of Cash Flows.

Division III - Schedule III to the Companies Act, 2013 has been further amended vide the Government Notification dated March 24, 2021 to include certain additional presentation and disclosures requirements and changes to some of the existing requirements These changes were required to be applied in preparation of financial statements for the financial year commencing on or after April 1, 2021, However, these changes have been applied to financial year 2020-21 also and The adoption of the said amendment does not impact recognition and measurement principles followed for preparation of the financial statements.
An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately.
Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

The Restated Financial Information are presented in Indian Rupees in Millions and all values are rounded off to the nearest rupee in ten thousands unless otherwise stated.

As specified in the ICDR Regulations, these Restated Financial Information have been prepared having regard to the requirements of Ind AS 8 on Accounting Policies, Changes in Accounting Estimates and Errors, regarding the manner of adjustments and disclosures of matters dealt with therein. Estimation involves judgements based on the latest available, reliable information. Changes in estimates result from new information or new developments which are continuously evolving and accordingly, are not corrections of errors. Changes in estimates, if any, are not restated, as they are events of that corresponding year.

The June 2023 Special Purpose Interim Ind AS Financial Statements, June 2022 Special Purpose Interim Ind AS Financial Statements, 2023 Ind AS Financial Statements, 2022 Ind AS Financial Statements and 2021 Special Purpose Interim Ind AS Financial Statements are collectively referred to as the "Audited Financial Statements".

These Restated Financial Information has been prepared by the management from the Audited Financial Statements as at and for the respective three months / years ended and

(a) there were no changes in accounting policies during the years/periods of these financial statements except as mentioned below -

The Company started recognizing the revenue on the gross credit impaired portfolio net off provision harmonious with the requirements of IND AS 109 which was being recognized on actual receipt basis till March 31, 2022, thereby aligning its accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the parent entity's accounting policy. Accordingly, as per para 14 (b) of IND AS 8, the Company has retrospectively changed the policy to reflect the above changes in the financial results, thereby providing reliable and more relevant information about the Company's financial position, financial performance or cash flows (Refer Note No. 64)

(b) there were no material misstatements which have been adjusted for in arriving at profit/ loss of the respective years/periods, except as mentioned below -

Material errors and omissions March 31, 2022

Note. No.	Particulars	As per Audited Financial Statements	Difference due to change in re-statement	Balance after re-statement
8	**Investments**	1,071.35	(27.71)	1,043.64
14	**Derivative financial instruments**	27.41	(14.27)	13.14
27	**Finance cost**			
	(a) Interest on borrowings			
	- Term Loans from banks	3,205.52	14.27	3,219.79
23	**Other equity**			
	(j) Other Investments Fair valued through other comprehensive income	-	(27.78)	(27.78)
	(b)(ii) ESOP Contribution	-	14.40	14.40
11 (a)	**Deferred tax assets (net)**	904.34	34.67	939.01

Reconciliation of total equity as per audited financial statements with total equity as per restated financial information:
Summarised below are the restatement adjustments made to the total equity as per the audited financial statements of the Company, for the year ended March 31, 2022

Particulars	As at March 31, 2022
Total Equity (as per audited financial statements)	10,720.53
Adjustments due to change in accounting policy	*18.24*
Adjustments due to prior period items/ other adjustments	*(30.32)*
Total Equity (as per restated financial statements)	10,708.45

Reconciliation of total comprehensive income as per audited financial statements with total comprehensive income as per restated financial information:
Summarised below are the restatement adjustments made to the total comprehensive income as per the audited financial statements of the Company, for the year ended March 31, 2022 :

Particulars	As at March 31, 2022
A. Total comprehensive income (as per audited financial statements)	167.71
B. Adjustments :	
(i) Audit qualifications	-
(ii) Change in accounting policies	18.24
(iii) Adjustments due to prior period items/ other adjustments	(34.29)
Total Adjustment	(16.05)
C. Total comprehensive income as per Restated Financial Information (A+B)	**151.66**

c) there were no material adjustments for reclassification / regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Restated Financial information of the Company and the requirements of the SEBI Regulations except as mentioned below -

Reclassification for the year ended March 31, 2022

Note. No.	Particulars	As per Audited Financial Statements	Difference due to change in re-statement	Balance after re-statement
5	**Cash and cash equivalents**			
	(b) Balances with banks			
	- In deposit accounts - not covered under lien	5,330.13	-17.91	5,312.22
6	**Bank balance other than above (Also, refer note 17.1)**			
	Balances with Banks			
	- In Deposit Accounts - not covered under lien (3 months & above)	-	10.24	10.24
9	**Other financial assets**			
	(d) Others	284.50	117.78	402.28
19	Other financial liabilities			
	(c) Other payables	186.37	108.38	294.75

These Restated Financial Statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements, except as mentioned above

(ii) Historical cost convention

The restated financial information have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the restated financial information have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

(iii) Critical accounting estimates and judgements

The preparation of restated financial information in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.
In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the restated financial statements are:

Business model assessment

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

Defined employee benefit assets and liabilities
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurements
When the fair values of financial assets and financial liabilities recorded in the restated statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. 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.

Impairment of loan portfolio
Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

Provisions
Provisions created in respect of a range of future obligations such as litigation. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate, which reflects both current interest rates and the risks specific to that provision.

Useful lives of depreciable/ amortisable assets
Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of asset.

(iv) ESOS Contribution from Holding Company
Under Ind AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service

3 Summary of significant accounting policies

(a) Property, plant and equipment
Initial recognition and measurement
Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.
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 Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and
equipment is provided on the Straight Line Method over the useful life of the assets as prescribed under Part 'C' of Schedule II, which is also the the management's estimates of useful lives of such assets.

Asset class	Useful Life
Furniture and Fixtures including Electrical fittings	10
Leasehold Improvements	5
Office Equipment	5
Vehicles	8
Computers and others	3

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.
De-recognition
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

(b) Investment Property
Initial recognition and measurement
Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. The cost of Investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

De-recognition
An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognised.

(c) Intangible assets
Initial recognition and measurement
Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation method, useful lives and residual value)
Intangible assets are amortised over a period of three years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangible assets under development
Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost.
Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when the company demonstrate following recognition requirements:

a. The development costs can be measured reliably
b. The project is technically and commercially feasible
c. The company intends to and has sufficient resources to complete the project
d. The company has the ability to use or sell such intangible asset
e. The asset will generate probable future economic benefits.

(d) Revenue recognition

Interest and processing fee income on loans

Interest income for all financial instruments measured at amortised cost, is recorded using the effective interest rate ('EIR'). 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 period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired, Company reverts to calculating interest income on a gross basis

Overdue interest is recognized only when it is reasonably certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Referral income

Income from cross sale services is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

Interest on fixed deposits

Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/ collection.

(e) Finance cost

Finance cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other finance costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

(f) Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other 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.

Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

(g) Employee benefits

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

(i) Gratuity

The liability recognised in the restated balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(ii) Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of both vesting and non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

The Company has formulated an Employees Stock Option Scheme. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

(h) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use.
If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.
The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(i) Impairment of financial assets

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 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on a collective basis for identified homogenous pool of loans.

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:
· Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

· Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

· Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The ECL is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) is based on the amounts the Company expects to be owed at the time of default. Management overlay is included in determining the lifetime ECL. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
· Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
· Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

(l) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises. 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. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve 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 includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use 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.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

(m) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:
a. Amortized cost
b. Fair Value Through Other Comprehensive Income (FVTOCI) or
c. Fair Value Through Profit or Loss (FVTPL).
All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:
(a) The asset 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. Non-performing financial assets are carried at amortised cost in the financial statement.

(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:
(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets
(b) The contractual terms of the financial asset meet the SPPI test.

FVTOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost

(iii) Financial assets carried at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or
b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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 that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

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. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

Classification and Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there are 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.

(n) Derivative financial instruments

The Company enters into derivative financial instruments, cross currency swaps, to manage its borrowing exposure to foreign exchange.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge Accounting

Hedges that meet the criteria for hedge accounting are accounted for, as described below: Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

(o) Segment reporting

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

(p) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

(q) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non- monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(r) Securitisation and direct assignment

The securitised assets where the Company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall not be de-recognized and proceeds received from securitisation shall be recognised as borrowings and interest thereon shall be recognised as finance cost.

The direct assignment transaction where the Company has transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall be de-recognized. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

(s) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

4 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(All amounts in ₹ Millions unless otherwise stated)

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
5	**Cash and cash equivalents**					
	(a) Cash on hand	300.51	284.36	319.68	226.86	22.47
	(b) Balances with banks					
	- In current accounts	5,333.52	1,651.57	3,929.23	2,386.05	2,209.95
	- In deposit accounts - not covered under lien (less than 3 months)	1,500.26	1,720.62	1,250.30	5,312.22	4,722.26
		7,134.29	**3,656.55**	**5,499.21**	**7,925.13**	**6,954.68**
5.1	Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 cash flow statements	7,134.29	3,656.55	5,499.21	7,925.13	6,954.68
6	**Bank balance other than above (Also, refer note 17.1)**					
	Balances with Banks					
	- In Deposit Accounts - not covered under lien (3 months & above)	458.10	10.34	10.57	10.24	-
	- In Deposit Accounts - under lien (Refer note 6.1 below)	2,478.88	1,817.00	3,357.31	1,246.88	1,872.20
		2,936.98	**1,827.34**	**3,367.88**	**1,257.12**	**1,872.20**

6.1 Deposit accounts under lien comprise of:

Deposits (excluding accrued interest) amounting to Rs.2,064.42 Millions (As at June 30, 2022 Rs. 1,759.98 Millions, at March 31, 2023 Rs. 3,079.96 Millions, at March 31, 2022 Rs. 1,163.17 Millions and at March 31, 2021 Rs.1,284.26 Millions) have been placed with certain banks for obtaining term loans.

Deposits (excluding accrued interest) Rs 335.37 Millions (As at June 30, 2022 - "Nil" and at March 31, 2023 Rs. 162.74 Millions at March 31, 2022 Rs. Nil and at March 31, 2021 Rs.514.90 Millions) are placed as credit enhancement (cash collateral) towards PTC transactions.

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
7(a)	**Loans (at amortised cost)**					
	Loans	**84,956.73**	**59,206.39**	**89,204.45**	**57,822.97**	**51,154.03**
	Less : Impairment loss allowance	**2,166.50**	**4,724.19**	**2,515.49**	**3,537.44**	**3,414.49**
	Total	**82,790.23**	**54,482.20**	**86,688.96**	**54,285.53**	**47,739.54**
	(i) Secured					
	Loans	8,440.64	4,656.98	7,426.23	3,486.32	427.49
	Less : Impairment loss allowance	47.78	13.71	38.10	15.53	1.91
	Sub Total	**8,392.86**	**4,643.27**	**7,388.13**	**3,470.79**	**425.58**
	(ii) Unsecured					
	Loans	76,516.09	54,549.41	81,778.22	54,336.65	50,726.54
	Less : Impairment loss allowance	2,118.72	4,710.48	2,477.39	3,521.91	3,412.58
	Sub Total	**74,397.37**	**49,838.93**	**79,300.83**	**50,814.74**	**47,313.96**
	Grand Total	**82,790.23**	**54,482.20**	**86,688.96**	**54,285.53**	**47,739.54**
7(b)	**Loans given to staff (at amortised cost)**					
	Loans to Staff	40.64	0.31	2.01	0.51	7.50
		40.64	**0.31**	**2.01**	**0.51**	**7.50**

7.1

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
The loan receivables reflected above excludes microfinance loans assigned to a third party on direct assignment in accordance with RBI Guidelines which qualify for derecognisation as per Ind AS 109. The amounts given are net of minimum retention retained in the books	15,833.68	11,213.82	10,580.34	12,125.61	8,580.16

7.2

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provisions as per RBI Income Recognition, Asset Classification and Provisioning Norms (IRACP norms)	999.51	1,351.21	991.26	730.55	699.00
Provisions as per ECL model under Ind AS 109	2,166.50	4,724.19	2,515.49	3,537.43	3,414.49
Amount recorded in the books	2,166.50	4,724.19	2,515.49	3,537.43	3,414.49

As at June 30, 2023

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Performing assets						
Standard	Stage 1	81,556.15	738.53	80,817.62	331.45	407.07
	Stage 2	730.89	61.35	669.54	2.93	58.42
						-
Non Performing Assets (NPA)						-
Substandard	Stage 3	2,686.42	1,350.24	1,336.18	650.87	699.37
Doubtful						
Up to one year	Stage 3	16.67	11.66	5.01	5.78	5.88
1 to three year	Stage 3	1.45	1.02	0.43	1.15	-0.13
More than three year	Stage 3	5.79	3.70	2.09	7.33	-3.63
Subtotal for doubtful		**23.91**	**16.38**	**7.53**	**14.26**	**2.12**
Total	**Stage 1**	**81,556.15**	**738.53**	**80,817.62**	**331.45**	**407.07**
	Stage 2	**730.89**	**61.35**	**669.54**	**2.93**	**58.42**
	Stage 3	**2,710.33**	**1,366.62**	**1,343.71**	**665.13**	**701.49**
Total		**84,997.37**	**2,166.50**	**82,830.87**	**999.51**	**1,166.98**

As at June 30, 2022

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Performing assets						
Standard	Stage 1	51,038.82	662.44	50,376.38	202.62	459.82
	Stage 2	3,262.65	487.10	2,775.55	12.65	474.45
						-
Non Performing Assets (NPA)						-
Substandard	Stage 3	4,894.38	3,566.10	1,328.28	1,126.82	2,439.28
Doubtful						
Up to one year	Stage 3	3.90	3.07	0.83	2.17	0.90
1 to three year	Stage 3	2.95	2.33	0.62	2.95	-0.62
More than three year	Stage 3	4.00	3.15	0.85	4.00	-0.85
Subtotal for doubtful		**10.85**	**8.55**	**2.30**	**9.12**	**-0.57**
Total	**Stage 1**	**51,038.82**	**662.44**	**50,376.38**	**202.62**	**459.82**
	Stage 2	**3,262.65**	**487.10**	**2,775.55**	**12.65**	**474.45**
	Stage 3	**4,905.23**	**3,574.65**	**1,330.58**	**1,135.94**	**2,438.71**
Total		**59,206.70**	**4,724.19**	**54,482.51**	**1,351.21**	**3,372.98**

As at March 31, 2023

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Performing assets						
Standard	Stage 1	84,706.07	799.56	83,906.51	345.44	454.12
	Stage 2	1,812.04	161.08	1,650.96	7.34	153.74
						-
Non Performing Assets (NPA)						-
Substandard	Stage 3	2,609.21	1,512.50	1,096.71	576.50	936.00
Doubtful						
Up to one year	Stage 3	71.39	37.72	33.68	54.59	-16.87
1 to three year	Stage 3	2.31	1.35	0.96	1.95	-0.60
More than three year	Stage 3	5.44	3.28	2.16	5.44	-2.16
Subtotal for doubtful		**79.14**	**42.35**	**36.80**	**61.98**	**-19.63**
Total	**Stage 1**	**84,706.07**	**799.56**	**83,906.51**	**345.44**	**454.12**
	Stage 2	**1,812.04**	**161.08**	**1,650.96**	**7.34**	**153.74**
	Stage 3	**2,688.35**	**1,554.85**	**1,133.50**	**638.48**	**916.37**
Total		**89,206.46**	**2,515.49**	**86,690.97**	**991.26**	**1,524.23**

As at March 31, 2022

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Performing assets						
Standard	Stage 1	50,277.39	739.35	49,538.04	640.04	99.31
	Stage 2	6,462.88	1,910.88	4,552.00	64.63	1,846.25
Non Performing Assets (NPA)						-
Substandard	Stage 3	1,072.69	878.63	194.06	16.53	862.10
Doubtful						
Up to one year	Stage 3	3.85	2.01	1.84	2.68	-0.67
1 to three year	Stage 3	3.25	3.15	0.10	3.25	-0.10
More than three year	Stage 3	3.42	3.42	0.00	3.42	-0.00
Subtotal for doubtful		**10.52**	**8.58**	**1.94**	**9.35**	**-0.77**
Total	**Stage 1**	**50,277.39**	**739.35**	**49,538.04**	**640.04**	**99.31**
	Stage 2	**6,462.88**	**1,910.88**	**4,552.00**	**64.63**	**1,846.25**
	Stage 3	**1,083.21**	**887.21**	**196.00**	**25.88**	**861.33**
Total		**57,823.48**	**3,537.44**	**54,286.04**	**730.55**	**2,806.89**

As at March 31, 2021

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109*	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	
Performing assets						
Standard	Stage 1	46,900.14	960.05	45,940.09	639.19	320.86
	Stage 2	3,352.71	1,547.57	1,805.14	33.93	1,513.64
						-
Non Performing Assets (NPA)						-
Substandard	Stage 3	886.07	884.30	1.77	24.63	859.67
Doubtful						
Up to one year	Stage 3	15.12	15.09	0.03	0.24	14.85
1 to three year	Stage 3	7.22	7.21	0.01	0.98	6.23
More than three year	Stage 3	0.27	0.27	0.00	0.03	0.24
Subtotal for doubtful		**22.61**	**22.57**	**0.04**	**1.25**	**21.32**
Total	**Stage 1**	**46,900.14**	**960.05**	**45,940.09**	**639.19**	**320.86**
	Stage 2	**3,352.71**	**1,547.57**	**1,805.14**	**33.93**	**1,513.64**
	Stage 3	**908.68**	**906.87**	**1.81**	**25.88**	**880.99**
Total		**51,161.53**	**3,414.49**	**47,747.04**	**699.00**	**2,715.49**

Note: Previous year figures has been restated due to change in accounting Policy

* The Loss Allowance Provision on all stages including Stage 3 is computed on Outstanding Balance i.e Principal Outstanding + Accrued Interest of advances before giving effect of Ind AS adjustments

(All amounts in ₹ Millions unless otherwise stated)

7.3 The Stage wise break of loans reflected above (Refer Note 7a and 7b) is given below :

(A) As at June 30, 2023

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	72,300.07	632.31	2,491.92
ii. Loans considered as Non Qualifying Assets	9,256.08	98.58	218.41
Gross Carrying Amount of Loans	**81,556.15**	**730.89**	**2,710.33**
Less : Impairment loss allowance	738.53	61.35	1,366.62
Net Loans	**80,817.62**	**669.54**	**1,343.71**

(B) As at June 30, 2022

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	46,464.01	3,219.81	4,867.15
ii. Loans considered as Non Qualifying Assets	4,574.81	42.84	38.08
Gross Carrying Amount of Loans	**51,038.82**	**3,262.65**	**4,905.23**
Less : Impairment loss allowance	662.44	487.10	3,574.65
Net Loans	**50,376.38**	**2,775.55**	**1,330.58**

(C) As at March 31, 2023

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	75,484.53	1,744.05	2,555.94
ii. Loans considered as Non Qualifying Assets	9,221.54	67.99	132.41
Gross Carrying Amount of Loans	**84,706.07**	**1,812.04**	**2,688.35**
Less : Impairment loss allowance	799.56	161.08	1,554.85
Net Loans	**83,906.51**	**1,650.96**	**1,133.50**

(D) As at March 31, 2022

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	45,301.39	6,268.15	1,030.10
ii. Loans considered as Non Qualifying Assets	4,976.00	194.73	53.11
Gross Carrying Amount of Loans	**50,277.39**	**6,462.88**	**1,083.21**
Less : Impairment loss allowance	739.35	1,910.88	887.21
Net Loans	**49,538.04**	**4,552.00**	**196.00**

(E) As at March 31, 2021

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days
i. Loans considered as Qualifying Assets	45,006.35	3,233.49	859.96
ii. Loans considered as Non Qualifying Assets	1,893.79	119.22	48.72
Gross Carrying Amount of Loans	**46,900.14**	**3,352.71**	**908.68**
Less : Impairment loss allowance	960.05	1,547.57	906.87
Net Loans	**45,940.09**	**1,805.14**	**1.81**

7.4 Reconciliation of impairment allowance on Loans

Particulars	Amount
Impairment allowance as at 1 April 2020	**1,851.01**
Add: Impairment allowance provided in statement of Profit & Loss	2,998.09
Less: Impairment allowance Utilised for writing off Loss assets	1,434.61
Impairment allowance as at March 31, 2021	**3,414.49**
Add: Impairment allowance provided in statement of Profit & Loss	4,068.22
Less: Impairment allowance Utilised for writing off Loss assets	3,945.27
Impairment allowance as at March 31, 2022	**3,537.44**
Add: Impairment allowance provided in statement of Profit & Loss	1,186.76
Less: Impairment allowance Utilised for writing off Loss assets	0.01
Impairment allowance as at June 30, 2022	**4,724.19**
Impairment allowance as at 1 April 2022	**3,537.44**
Add: Impairment allowance provided in statement of Profit & Loss	2,736.84
Less: Impairment allowance Utilised for writing off assets	1,120.60
Less: Impairment allowance Utilised for porfolio sold to ARC	2,636.71
Less: Impariment allowance provided for receivables from resigned employees	1.48
Impairment allowance as at March 31, 2023	**2,515.49**
Add: Impairment allowance provided in statement of Profit & Loss	960.59
Less: Impairment allowance Utilised for writing off Loss assets	515.26
Less: Impairment allowance Utilised for porfolio sold to ARC	753.71
Less: Impariment allowance provided for receivables from resigned employees	40.62
Impairment allowance as at June 30, 2023	**2,166.50**

7.5 As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on April 16, 2019 the details of securitisation are given below:

Particulars	As at June 30 2023	As at June 30 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) No of SPVs sponsored by the NBFC for securitisation transactions					
a.Through Direct assignment	32	25	28	22	14
b.Through PTC	5	-	3	-	8
Total	**37**	**25**	**31**	**22**	**22**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored					
a.Through Direct assignment	15,872.84	12,606.59	10,554.16	12,125.61	8,580.16
b.Through Pass through Ceritificates	5,680.34	-	4,304.15	-	940.20
Total	**21,553.18**	**12,606.59**	**14,858.31**	**12,125.61**	**9,520.36**
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet					
a) Off-balance sheet exposures					
First loss	-	-	-	-	-
Others	-	-	-	-	-
b) On-balance sheet exposures					
First loss	1,761.50	1,390.65	1,195.37	1,473.36	935.70
Others	-	-	-	-	-
a. Pass through Ceritificates	-	-	-	-	-
Others	-	-	-	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR					
a) Off-balance sheet exposures					
i) Exposure to own securitizations					
First loss	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
ii) Exposure to third party securitisations					
First loss	-	-	-	-	-
Others	-	-	-	-	-
b) On-balance sheet exposures					
i) Exposure to own securitisations					
First loss	-	-	-	-	514.90
Others	-	-	-	-	-
ii) Exposure to third party securitisations					
First loss	-	-	-	-	-
Others	-	-	-	-	-

7.6 Details of Financial Assets sold to Securitisation Company

Particulars	Three months period ended June 30 2023	Three months period ended June 30 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Total number of loan assets securitized during the year / three months period ended					
a.Through Direct assignment	2,61,665	90,565	3,81,103	4,92,020	1,75,430
b.Through PTC	82,757	-	1,37,956	-	
	3,44,422	**90,565**	**5,19,059**	**4,92,020**	**1,75,430**
Book value of loan assets securitized during the year / three months period ended					
a.Through Direct assignment	10,052.59	2,273.26	12,572.53	14,154.84	4,444.34
b.Through PTC	1,870.41	-	5,218.99	-	
	11,923.00	**2,273.26**	**17,791.52**	**14,154.84**	**4,444.34**
Sale consideration received during the year / three months period ended					
a.Through Direct assignment	9,047.33	2,045.94	11,315.36	12,592.37	3,999.98
b.Through PTC	1,631.61	-	4,517.56	-	
	10,678.94	**2,045.94**	**15,832.92**	**12,592.37**	**3,999.98**
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised					
a.Through Direct assignment	1,005.26	227.33	1,257.18	1,562.48	444.36
b.Through PTC	238.80	-	701.43	-	
	1,244.06	**227.33**	**1,958.61**	**1,562.48**	**444.36**
Gain / (loss) on the securitization transaction recognised in P&L					
Through PTC & Direct assignment	551.32	104.44	1,036.95	1,169.72	714.80
Gain / (loss) on the securitization transactions deferred			-		
Through PTC & Direct assignment	-	-	-	-	-
	551.32	**104.44**	**1,036.95**	**1,169.72**	**714.80**
Quantum of Credit Enhancement provided on the transactions in the form of deposits					
a.Through Direct assignment	-	-	-	-	-
b.Through PTC	107.05	-	228.32	-	
	107.05	**-**	**228.32**	**-**	**-**
Quantum of Credit Enhancement as at year end / three months period end					
a.Through Direct assignment	-	-	-	-	-
b.Through PTC	107.05	-	228.32	-	
	107.05	**-**	**228.32**	**-**	**-**
Interest spread Recognised in the Statement of Profit and Loss during the Year / three months period ended					
a.Through Direct assignment	551.32	104.44	1,036.95	1,169.72	714.80
b.Through PTC	-	-	-	-	-
	551.32	**104.44**	**1,036.95**	**1,169.72**	**714.80**

Note : The securitised loans through PTC disclosed in the above notes, i.e 7.5 and 7.6 do not qualify for de-recognition under Ind AS. Nevertheless, the information in the notes is presented to ensure compliance with the RBI disclosure requirements.

7.7 No disclosure has been presented as per RBI notification RBI/2019-20/220 DOR,No.BP.DC.63/21.04,048/2020-21 Dated: April 17, 2020; as the balances are Nil.

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
8	**Investments**					
	Investments at fair value through other comprehensive income					
	Outside India	-	-	-	-	-
	In India					
	(i) Unquoted Equity instruments	0.57	0.57	0.57	0.57	0.90
	(ii) Investment in Government Securities	1,031.80	1,004.29	1,019.60	1,043.08	-
	Sub Total	**1,032.37**	**1,004.86**	**1,020.17**	**1,043.65**	**0.90**
	Investments at fair value through Profit or Loss					
	Outside India	-	-	-	-	-
	In India					
	(i) Investment in Security Reciepts	1,154.02	-	950.47	-	-
	Sub Total	**1,154.02**	**-**	**950.47**	**-**	**-**
	Gross Total	**2,186.39**	**1,004.86**	**1,970.64**	**1,043.65**	**0.90**
	Less : Allowance for impairment loss	-	-	-	-	-
	Total	**2,186.39**	**1,004.86**	**1,970.64**	**1,043.65**	**0.90**
9	**Other financial assets**					
	(a) Security deposits	95.51	65.08	98.34	63.09	61.46
	(b) Retained interest on asset assigned	1,204.00	572.18	464.02	741.55	441.72
	(c) Others	1,491.45	373.32	666.03	402.28	208.82
		2,790.96	**1,010.58**	**1,228.39**	**1,206.92**	**712.00**
10	**Current tax assets (net)**					
	Advance income tax	256.52	184.79	345.18	351.26	113.30
		256.52	**184.79**	**345.18**	**351.26**	**113.30**
11 (a)	**Deferred tax assets (net)**					
	Deferred tax assets (net)	519.14	1,233.15	717.42	939.01	831.12
		519.14	**1,233.15**	**717.42**	**939.01**	**831.12**

11 (b) Current tax and deferred tax

(i) Income tax expense

Particulars	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
(a) Current tax in respect of current year	258.81	270.32	631.83	195.61	661.89
(b) Deferred tax relating to origination and reversal of temporary differences	203.50	(291.99)	219.46	(112.91)	(483.91)
(c) Tax relating to earlier year	17.26	-	23.69	(27.36)	(41.09)
Total tax expense recognised in statement of profit and loss	**479.57**	**(21.67)**	**874.98**	**55.34**	**136.89**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Profit Before tax from operations	1,606.82	(108.59)	3,109.26	194.64	297.90
Income Tax using the company's domestic Tax rate #	404.44	(27.33)	782.60	48.99	74.98
Effect of income exempt from tax	-	-	-	-	
Effect of other permanent differences	2.91	1.51	11.31	8.82	8.82
Effect on utilisation of accumulated losses during the year	-	-	-	-	-
Effect of change in tax rate	-	-	-	-	-
Effect of deferred tax remeasurement	54.96	4.15	57.38	24.89	94.18
Effect of change in previous year tax amount	17.26	-	23.69	(27.36)	(41.09)
Income tax recognised in the statement of profit & loss	**479.57**	**(21.67)**	**874.98**	**55.34**	**136.89**

The tax rate used for the three months period ended June 30, 2023, June 30, 2022 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 reconciliations above are the Corporate tax rate of 22%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income tax act.

(iii) Income tax on other comprehensive income

Particulars	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Deferred tax					
Remeasurement of defined benefit obligation	(1.62)	(0.29)	(1.25)	3.92	(4.64)
Fair value changes on Equity Investment held as FVOCI	-	-	-	(0.08)	0.10
Fair value changes on derivatives designated as cash flow hedge (net)	(7.34)	7.56	7.55	7.31	1.64
Fair value changes on Other Investment held as FVOCI	3.07	(9.76)	(5.91)	(6.99)	-
Total	**(5.89)**	**(2.49)**	**0.39**	**4.16**	**(2.90)**

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet

Particulars	For the three months ended June 30, 2023				
	Opening Balance	(Charge)/Credit recognised in			Closing Balance
		Recognised in profit and Loss	Recognised in OCI	Equity	
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	14.56	(0.01)	-		14.55
Provision for employee benefits	66.95	36.84	1.62		105.41
Provision for loan receivables	622.15	(74.68)	-		547.47
Provision for fraud insurance claim receivable	28.240	21.83	-		50.07
Effective interest rate on borrowings	8.54	7.56	-		16.10
Present value discounting of security deposit and documentation fee	74.87	(25.17)	-		49.70
Effect of implementation of Ind AS 116	33.12	4.25	-		37.37
Effective interest rate on DA and PTC loans	(128.75)	(174.11)	-		(302.86)
ESOP Contribution	1.35	0.02		(0.66)	0.71
Equity Investment held as FVOCI	(0.02)				(0.02)
Gain / loss on hedge valuation	(16.50)		7.34		(9.16)
Investment held as FVOCI	12.90		(3.07)		9.83
Total	**717.40**	**(203.47)**	**5.89**	**(0.66)**	**519.16**

Particulars	For the three months ended June 30, 2022				
	Opening Balance	(Charge) / Credit recognised in			Closing Balance
		Recognised in profit and Loss	Recognised in OCI	Equity	
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	63.55	9.58	-		73.13
Provision for employee benefits	82.49	(13.35)	0.29		69.43
Provision for loan receivables	881.58	284.46	-		1,166.04
Provision for fraud insurance claim receivable	17.93	1.15	-		19.08
Effective interest rate on borrowings	7.90	(1.52)	-		6.38
Present value discounting of security deposit and documentation fee	57.07	(34.83)	-		22.24
Effect of implementation of Ind AS 116	13.48	4.98	-		18.46
Effective interest rate on DA and PTC loans	(186.65)	42.73	-		(143.92)
ESOP Contribution	3.63	(0.38)		(1.16)	2.09
Equity Investment held as FVOCI	(0.02)	-			(0.02)
Gain / loss on hedge valuation	(8.95)	-	(7.56)		(16.51)
Investment held as FVOCI	6.99		9.76		16.75
Total	**939.01**	**292.82**	**2.49**	**(1.16)**	**1,233.15**

Particulars	For the year ended March 31, 2023				
	Opening Balance	(Charge) / Credit recognised in			Closing Balance
		Recognised in profit and Loss	Recognised in OCI	Equity	
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	63.55	(48.99)	-		14.56
Provision for employee benefits	82.49	(16.79)	1.25		66.95
Provision for loan receivables	881.58	(259.43)	-		622.15
Provision for fraud insurance claim receivable	17.93	10.31	-		28.24
Effective interest rate on borrowings	7.90	0.64	-		8.54
Present value discounting of security deposit and documentation fee	57.07	17.80	-		74.87
Effect of implementation of Ind AS 116	13.48	19.63	-		33.12
Effective interest rate on DA and PTC loans	(186.65)	57.90	-		(128.75)
ESOP Contribution	3.63	(0.53)		(1.75)	1.35
Equity Investment held as FVOCI	(0.02)	-	-		(0.02)
Cash flow hedge Reserve	(8.95)	-	(7.55)		(16.50)
Investment held as FVOCI	6.99	-	5.91		12.90
Total	**939.01**	**(219.46)**	**(0.39)**	**(1.75)**	**717.41**

Particulars	For the year ended March 31, 2022				
	Opening Balance	(Charge) / Credit recognised in			Closing Balance
		Recognised in profit and Loss	Recognised in OCI	Equity	
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	31.88	31.67	-		63.55
Provision for employee benefits	61.95	24.46	(3.92)		82.49
Provision for loan receivables	824.52	57.06	-		881.58
Provision for fraud insurance claim receivable	15.85	2.08	-		17.93
Effective interest rate on borrowings	(2.83)	10.73	-		7.90
Present value discounting of security deposit and documentation fee	51.00	6.07	-		57.07
Effect of implementation of Ind AS 116	3.00	10.48	-		13.48
Effective interest rate on DA and PTC loans	(156.98)	(29.67)	-		(186.65)
ESOP Contribution	4.48	0.02	-	(0.87)	3.63
Equity Investment held as FVOCI	(0.10)		0.08		(0.02)
Cash flow hedge Reserve	(1.64)		(7.31)		(8.95)
Investment held as FVOCI	-	-	6.99		6.99
Total	**831.13**	**112.90**	**(4.16)**	**(0.87)**	**939.01**

Particulars	For the year ended March 31, 2021				
	Opening Balance	(Charge) / Credit recognised in			Closing Balance
		Recognised in profit and Loss	Recognised in OCI	Equity	
Tax effect of items constituting deferred tax assets/deferred Tax liability :					
Property, plant and equipment	5.06	26.81	-	-	31.87
Provision for employee benefits	19.32	38.00	4.64	-	61.96
Provision for loan receivables	483.80	340.72	-	-	824.52
Provision for fraud insurance claim receivable	10.30	5.55	-	-	15.85
Effective interest rate on borrowings	31.72	(34.55)	-	-	(2.83)
Present value discounting of security deposit and documentation fee	29.07	21.93	-	-	51.00
Effect of implementation of Ind AS 116	2.41	0.59	-	-	3.00
Effective interest rate on DA and PTC loans	(239.21)	82.23	-	-	(156.98)
ESOP Contribution	1.84	2.64	-	-	4.48
Equity Investment held as FVOCI	-		(0.10)		(0.10)
Cash flow hedge Reserve	-	-	(1.64)	-	(1.64)
Investment held as FVOCI	-	-	-	-	-
Total	**344.31**	**483.92**	**2.90**	**-**	**831.13**

12 Property, plant and equipment, other intangible assets, Right of use assets and Intangible assets under development

		Property, plant and equipment								
Particulars	**Investment Property - Land**	**Computers**	**Furnitures & Fixtures**	**Leasehold Improvements**	**Office Equipments**	**Vehicles**	**Total**	**Right of use asset**	**Other intangible assets- Softwares**	**Intangible assets under development**
Gross block										
As at 01 April 2020	**0.86**	**152.36**	**39.20**	**17.10**	**23.51**	**5.49**	**237.66**	**84.58**	**13.18**	**-**
Additions	-	54.92	17.87	1.45	5.90	2.74	82.88	28.67	40.20	5.45
Disposals	-	-	-	-	(2.51)	-	(2.51)	-	-	-
As at 31 March 2021	**0.86**	**207.28**	**57.07**	**18.55**	**26.90**	**8.23**	**318.03**	**113.25**	**53.38**	**5.45**
Additions		95.47	228.56	0.05	167.15	-	491.23	745.34	27.74	3.97
Disposals		-	-	-	-	-	-	-	-	-
As at 31 March 2022	**0.86**	**302.75**	**285.63**	**18.60**	**194.05**	**8.23**	**809.26**	**858.59**	**81.12**	**9.42**
Additions		15.49	30.80	5.21	31.84	-	83.34	202.27	11.35	-
Disposals		-	-	-	-	-	-	-	-	**(9.42)**
As at 30 June 2022	**0.86**	**318.24**	**316.43**	**23.81**	**225.89**	**8.23**	**892.60**	**1,060.86**	**92.47**	**-**
As at 1 April 2022	**0.86**	**302.75**	**285.63**	**18.60**	**194.05**	**8.23**	**809.26**	**858.59**	**81.12**	**9.42**
Additions		136.80	154.88	21.97	142.58	-	456.23	425.09	66.72	-
Disposals		-	-	-	-	-	-	-	-	(9.42)
As at 31 March 2023	**0.86**	**439.55**	**440.51**	**40.57**	**336.63**	**8.23**	**1,265.49**	**1,283.68**	**147.84**	**-**
Additions		9.87	43.97	2.81	28.19	-	84.84	114.61	27.53	-
Disposals		-	-	-	-	-	-	-	-	-
As at 30 June 2023	**0.86**	**449.42**	**484.48**	**43.38**	**364.82**	**8.23**	**1,350.33**	**1,398.29**	**175.37**	**-**
Accumulated depreciation/amortisation:										
As at 01 April 2020	**-**	**108.61**	**23.71**	**5.95**	**15.82**	**4.94**	**159.03**	**12.46**	**13.08**	**-**
Depreciation/Amortisation expense	-	63.59	9.49	11.67	7.56	0.40	92.71	11.33	14.33	-
Eliminated on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Depreciation Adjustments	-	-	-	-	(2.50)	-	(2.50)	-	-	-
As at 31 March 2021	**-**	**172.20**	**33.20**	**17.62**	**20.88**	**5.34**	**249.24**	**23.79**	**27.41**	**-**
Depreciation/Amortisation expense	-	76.51	78.50	0.88	60.77	1.03	217.69	95.14	39.51	-
Eliminated on Disposal of Assets		-	-	-	-	-	-	-	-	-
Depreciation Adjustments		-	-	-	-	-	-	-	-	-
As at 31 March 2022	**-**	**248.71**	**111.70**	**18.50**	**81.65**	**6.37**	**466.93**	**118.93**	**66.92**	**-**
Depreciation/Amortisation expense		15.02	28.16	0.60	23.47	0.14	67.39	54.44	4.50	-
Eliminated on Disposal of Assets		-	-	-	-	-	-	-	-	-
Depreciation Adjustments		-	-	-	-	-	-	-	-	-
As at 30 June 2022	**-**	**263.73**	**139.86**	**19.10**	**105.12**	**6.51**	**534.32**	**173.37**	**71.42**	**-**
As at 1 April 2022	**-**	**248.71**	**111.70**	**18.50**	**81.65**	**6.37**	**466.93**	**118.93**	**66.92**	**-**
Depreciation/Amortisation expense	-	41.74	25.09	2.45	27.54	0.50	97.32	228.44	13.94	-
Eliminated on Disposal of Assets		-	-	-	-	-	-	-	-	-
Depreciation Adjustments		-	-	-	-	-	-	-	-	-
As at 31 March 2023	**-**	**290.45**	**136.79**	**20.95**	**109.19**	**6.87**	**564.25**	**347.37**	**80.86**	**-**
Depreciation/Amortisation expense		17.13	9.02	1.18	10.57	0.11	38.01	57.50	7.61	-
Eliminated on Disposal of Assets		-	-	-	-	-	-	-	-	-
Depreciation Adjustments		-	-	-	-	-	-	-	-	-
As at 30 June 2023	**-**	**307.58**	**145.81**	**22.13**	**119.76**	**6.98**	**602.26**	**404.87**	**88.47**	**-**
Net block										
As at 31 March 2021	0.86	35.08	23.87	0.93	6.02	2.89	68.79	89.46	25.97	5.45
As at 31 March 2022	0.86	54.04	173.93	0.10	112.40	1.86	342.33	739.66	14.20	9.42
As at 30 June 2022	0.86	54.51	176.57	4.71	120.77	1.72	358.28	887.49	21.05	-
As at 31 March 2023	0.86	149.10	303.72	19.62	227.44	1.36	701.24	936.31	66.99	-
As at 30 June 2023	0.86	141.84	338.67	21.25	245.06	1.25	748.07	993.42	86.91	-

Also refer Note 55 for Intangible Assets Under Development

(All amounts in ₹ Millions unless otherwise stated)

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
13 Other non financial assets					
(a) Goods & service tax credit (input) receivable	28.75	10.13	34.13	15.07	2.14
(b) Prepaid expenses	78.15	41.14	89.44	41.09	46.53
(c) Capital advances	1.15	35.88	0.97	30.68	-
(d) Opex advances	16.47	2.66	0.70	20.08	28.96
(e) Others*	0.53	1.62	2.57	1.08	0.15
	125.05	**91.43**	**127.81**	**108.00**	**77.78**

* (Also, refer note no 53 for ageing of trade receivables)

< The Page has been left blank intentionally>

(All amounts in ₹ Millions unless otherwise stated)

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
14	**Derivative financial instruments (Also, refer note 42.14)**					
	Currency derivatives					
	Cross Currency Interest rate swap					
	- Notional Amount (Respective Currency converted at closing exchange rate)					
	- Fair Value Asset	213.22	38.20	262.98	13.14	-
	- Fair Value Liabilities	-	-	-	-	13.53
	Total Notional	**3,397.26**	**3,248.63**	**3,473.46**	**3,253.61**	**2,152.48**
	Total Fair Value Assets	**213.22**	**38.20**	**262.98**	**13.14**	**-**
	Total Fair Value Liabilities	**-**	**-**	**-**	**-**	**13.53**

Note: All the above derivative instruments are held for hedging and risk management purpose

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
15	**Other payables**					
	(a) Total outstanding dues of micro enterprises and small enterprises (Also, refer note 40)	-	-	-	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises (Also, refer note no 54 for trade payables ageing)	222.16	192.12	178.70	272.45	247.06
		222.16	**192.12**	**178.70**	**272.45**	**247.06**

There are no dues payable as at three months ended June 30, 2023, June 30,2022 and year ended March 31, 2023, March 31, 2022 and March 31, 2021 to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
16	**Debt securities (At amortised cost)**					
	(a) Redeemable non-convertible debentures					
	- Secured	7,992.34	5,714.41	10,707.55	8,329.34	9,106.57
	- Unsecured	828.44	5,525.00	877.24	5,525.00	3,083.97
	(b) Commercial papers (Unsecured) (Refer Note 17.3)	-	-	-	-	-
		8,820.78	**11,239.41**	**11,584.79**	**13,854.34**	**12,190.54**
	(i) Debt securities in India	8,820.78	11,239.41	11,584.79	13,854.34	12,190.54
	(ii) Debt securities outside India	-	-	-	-	-
	Also, refer note 17.4	**8,820.78**	**11,239.41**	**11,584.79**	**13,854.34**	**12,190.54**
17	**Borrowings (other than debt securities) (At amortised cost)**					
	(a) Secured					
	- Term loan from banks	53,874.63	31,790.79	56,846.47	31,934.96	27,533.58
	- Term loan from NBFCs	2,631.24	2,327.38	2,577.39	2,735.46	1,252.85
	- Other financial institutions	3,422.10	3,602.01	3,446.30	3,510.81	2,428.55
		59,927.97	**37,720.18**	**62,870.16**	**38,181.23**	**31,214.98**
	(b) Unsecured					
	- Term loan from NBFCs	259.18	360.00	1,578.99	360.00	503.88
	(c) Borrowings under securitisation arrangement	5,039.24	-	4,286.90	-	684.59
		65,226.39	**38,080.18**	**68,736.05**	**38,541.23**	**32,403.45**
	Borrowings in India	61,804.29	34,478.17	65,289.75	35,030.42	29,974.90
	Borrowings outside India	3,422.10	3,602.01	3,446.30	3,510.81	2,428.55
		65,226.39	**38,080.18**	**68,736.05**	**38,541.23**	**32,403.45**

17.1 Security on term loans from banks and others (Also, refer note 6)
All loans are secured by hypothecation of Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks (Refer (a) below).

	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
(a) Deposits with Banks & Others	2,478.88	1,817.00	3,357.31	1,246.88	1,872.20
(b) Deposits with NBFCs	-	-	-	-	-
	2,478.88	**1,817.00**	**3,357.31**	**1,246.88**	**1,872.20**

17.2 Details of cash credit from bank - Secured

(a) The cash credit facility is secured by hypothecation of Microfinance Loans
(b) The Company has not defaulted in the repayment of dues to Banks and NBFC's.
(c) The details of interest rate, tenor, repayment terms of the Short Term Borrowings are as follows:

Repayment Terms	Interest Rate	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Repayable on Demand	-	-	-	-	-	-

17.3 (i) Details of commercial paper - Unsecured

Particulars	Tenor (Days)	Interest Rate	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
-	-	-	-	-	-	-	-

(ii) Details of commercial paper issued/repaid during the three months ended June 30, 2023

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
Northern Arc Money Market Alpha Trust (Repaid)	90	8.65%	24-04-2023

Details of commercial paper issued/repaid during the three months ended June 30, 2022

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
-	-	-	-

Details of commercial paper issued/repaid during the current year ended March 31, 2023

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
SBI Mutual Fund (Repaid)	52	7.75%	23-08-2022
SBI Mutual Fund (Repaid)	56	7.75%	23-08-2022
SBI Mutual Fund (Repaid)	57	8.65%	31-10-2022
Northern Arc Money Market Alpha Trust (Repaid)	90	8.65%	23-11-2022

Details of commercial paper issued/repaid during the current year ended March 31, 2022

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
-	-	-	-

Details of commercial paper issued/repaid during the current year ended March 31, 2021

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction
CP-Anand Rathi Global Finance Ltd (Repaid)	365	10.30%	25-02-2020

(All amounts in ₹ Millions unless otherwise stated)

17.4 Details of terms of repayment- Debentures and subordinated liabilities

		No. of Debentures As at								Closing balance As at				
ISIN No	Type of NCD	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	Face value	Interest rate	Due date of redemption	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
INE516Q08331	Sub Debt	10,000			-	-	1,00,000.00	11.90%	26-Jun-26	1,000.00	-	-	-	-
INE516Q08372	Sub Debt	5,000			-	-	1,00,000.00	13.50%	31-Dec-27	500.00	-	-	-	-
INE516Q08380	Sub Debt	550			-	-	10,00,000.00	13.50%	31-May-27	550.00	-	-	-	-
INE516Q08398	Sub Debt	100			-	-	1,00,00,000.00	11.25%	03-Oct-28	1,000.00	-	-	-	-
INE516Q08406	Sub Debt	50			-	-	1,00,00,000.00	11.25%	25-Nov-28	500.00	-	-	-	-
INE516Q08414	Sub Debt	2,500			-	-	1,00,000.00	11.25%	31-Mar-29	250.00	-	-	-	-
INE516Q08422	Sub Debt	15,000			-	-	1,00,000.00	11.25%	16-May-29	1,500.00	-	-	-	-
INE516Q08281	Other Than Sub Debt	50,000			-	-	10,000.00	11.63%	30-May-24	500.00	-	-	-	-
INE516Q07382	Other Than Sub Debt	500			-	-	8,80,000.00	9.22%	30-Mar-25	440.00	-	-	-	-
INE516Q08356	Other Than Sub Debt	350			-	-	6,66,666.67	11.40%	31-Dec-24	233.33	-	-	-	-
INE516Q07390	Other Than Sub Debt	488			-	-	10,00,000.00	9.65%	13-Jul-23	488.00	-	-	-	-
INE516Q07408	Other Than Sub Debt	1,342			-	-	10,00,000.00	9.71%	29-Jan-24	1,342.00	-	-	-	-
INE516Q07416	Other Than Sub Debt	730			-	-	10,00,000.00	11.05%	27-Feb-25	730.00	-	-	-	-
INE516Q08364	Other Than Sub Debt	450			-	-	2,22,222.22	10.00%	23-Feb-24	100.00	-	-	-	-
INE516Q07424	Other Than Sub Debt	1,450			-	-	10,00,000.00	11.05%	15-Sep-26	1,450.00	-	-	-	-
INE516Q07432	Other Than Sub Debt	750			-	-	10,00,000.00	9.70%	09-May-24	750.00	-	-	-	-
INE516Q07440	Other Than Sub Debt	1,000			-	-	10,00,000.00	9.60%	12-Sep-24	1,000.00	-	-	-	-
INE516Q07457	Other Than Sub Debt	1,150			-	-	10,00,000.00	8.50%	28-Sep-24	1,150.00	-	-	-	-
INE516Q08182	Sub Debt		350		-	-	10,00,000.00	13.00%	15-Jul-22	-	350.00	-	-	-
INE516Q08174	Sub Debt		150		-	-	10,00,000.00	13.00%	15-Jul-22	-	150.00	-	-	-
INE516Q08331	Sub Debt		10,000		-	-	1,00,000.00	11.90%	26-Jun-26	-	1,000.00	-	-	-
INE516Q08372	Sub Debt		5,000		-	-	1,00,000.00	13.50%	31-Dec-27	-	500.00	-	-	-
INE516Q08380	Sub Debt		550		-	-	10,00,000.00	13.50%	31-May-27	-	550.00	-	-	-
INE516Q07226	Other Than Sub Debt		50		-	-	10,00,000.00	12.30%	09-Aug-23	-	50.00	-	-	-
INE516Q08281	Other Than Sub Debt		50,000		-	-	10,000.00	11.63%	30-May-24	-	500.00	-	-	-
INE516Q07275	Other Than Sub Debt		700		-	-	10,00,000.00	12.48%	09-Mar-25	-	700.00	-	-	-
INE516Q07283	Other Than Sub Debt		750		-	-	10,00,000.00	10.50%	28-Apr-23	-	750.00	-	-	-
INE516Q07291	Other Than Sub Debt		450		-	-	10,00,000.00	11.00%	29-May-23	-	450.00	-	-	-
INE516Q07309	Other Than Sub Debt		500		-	-	5,00,000.00	11.25%	21-Apr-23	-	250.00	-	-	-
INE516Q07317	Other Than Sub Debt		850		-	-	10,00,000.00	11.00%	26-Jun-23	-	850.00	-	-	-
INE516Q08307	Other Than Sub Debt		7,500		-	-	37,500.00	11.10%	05-Feb-23	-	281.25	-	-	-
INE516Q08323	Other Than Sub Debt		500		-	-	10,00,000.00	10.50%	08-Mar-23	-	500.00	-	-	-
INE516Q07382	Other Than Sub Debt		500		-	-	9,40,000.00	9.75%	30-Mar-25	-	470.00	-	-	-
INE516Q08356	Other Than Sub Debt		350		-	-	10,00,000.00	11.40%	31-Dec-24	-	350.00	-	-	-
INE516Q07390	Other Than Sub Debt		628		-	-	10,00,000.00	9.65%	13-Jul-23	-	628.00	-	-	-
INE516Q07408	Other Than Sub Debt		1,946		-	-	10,00,000.00	9.71%	29-Jan-24	-	1,946.00	-	-	-
INE516Q07416	Other Than Sub Debt		730		-	-	10,00,000.00	11.05%	27-Feb-25	-	730.00	-	-	-
INE516Q08364	Other Than Sub Debt		450		-	-	6,66,666.67	10.00%	23-Feb-24	-	300.00	-	-	-
INE516Q07424	Other Than Sub Debt		1,450		-	-	10,00,000.00	10.45%	15-Sep-26	-	1,450.00	-	-	-
INE516Q07432	Other Than Sub Debt		750		-	-	10,00,000.00	9.70%	09-May-24	-	750.00	-	-	-
INE516Q08158	Sub Debt			150	-	-	10,00,000.00	12.42%	28-Jun-23	-	-	150.00	-	-
INE516Q08331	Sub Debt			10,000	-	-	1,00,000.00	11.90%	26-Jun-26	-	-	1,000.00	-	-
INE516Q08372	Sub Debt			5,000	-	-	1,00,000.00	13.50%	31-Dec-27	-	-	500.00	-	-
INE516Q08380	Sub Debt			550	-	-	10,00,000.00	13.50%	31-May-27	-	-	550.00	-	-
INE516Q08398	Sub Debt			100	-	-	1,00,00,000.00	11.25%	03-Oct-28	-	-	1,000.00	-	-
INE516Q08406	Sub Debt			50	-	-	1,00,00,000.00	11.25%	25-Nov-28	-	-	500.00	-	-
INE516Q08414	Sub Debt			2,500	-	-	1,00,000.00	11.25%	31-Mar-29	-	-	250.00	-	-
INE516Q08281	Other Than Sub Debt			50,000	-	-	10,000.00	11.63%	30-May-24	-	-	500.00	-	-
INE516Q07283	Other Than Sub Debt			750	-	-	10,00,000.00	10.50%	28-Apr-23	-	-	750.00	-	-
INE516Q07291	Other Than Sub Debt			450	-	-	10,00,000.00	11.00%	29-May-23	-	-	450.00	-	-
INE516Q07309	Other Than Sub Debt			500	-	-	1,66,666.00	11.25%	21-Apr-23	-	-	83.33	-	-
INE516Q07317	Other Than Sub Debt			850	-	-	10,00,000.00	11.00%	26-Jun-23	-	-	850.00	-	-
INE516Q07382	Other Than Sub Debt			500	-	-	8,80,000.00	9.22%	30-Mar-25	-	-	440.00	-	-
INE516Q08356	Other Than Sub Debt			350	-	-	6,66,666.00	11.40%	31-Dec-24	-	-	233.33	-	-
INE516Q07390	Other Than Sub Debt			606	-	-	10,00,000.00	9.65%	13-Jul-23	-	-	606.00	-	-
INE516Q07408	Other Than Sub Debt			1,726	-	-	10,00,000.00	9.71%	29-Jan-24	-	-	1,726.00	-	-
INE516Q07416	Other Than Sub Debt			730	-	-	10,00,000.00	11.05%	27-Feb-25	-	-	730.00	-	-
INE516Q08364	Other Than Sub Debt			450	-	-	3,33,333.00	10.00%	23-Feb-24	-	-	150.00	-	-
INE516Q07424	Other Than Sub Debt			1,450	-	-	10,00,000.00	11.05%	15-Sep-26	-	-	1,450.00	-	-
INE516Q07432	Other Than Sub Debt			750	-	-	10,00,000.00	9.70%	09-May-24	-	-	750.00	-	-
INE516Q07440	Other Than Sub Debt			1,000	-	-	10,00,000.00	9.60%	12-Sep-24	-	-	1,000.00	-	-
INE516Q07457	Other Than Sub Debt			1,150	-	-	10,00,000.00	8.50%	28-Sep-24	-	-	1,150.00	-	-
INE516Q08166	Sub Debt			-	500	-	10,00,000.00	13.00%	30-Jun-22	-	-	-	500.00	-
INE516Q08158	Sub Debt			-	150	-	10,00,000.00	12.42%	28-Jun-23	-	-	-	150.00	-
INE516Q08182	Sub Debt			-	350	-	10,00,000.00	13.00%	15-Jul-22	-	-	-	350.00	-
INE516Q08174	Sub Debt			-	150	-	10,00,000.00	13.00%	15-Jul-22	-	-	-	150.00	-
INE516Q08331	Sub Debt			-	10,000	-	1,00,000.00	11.90%	26-Jun-26	-	-	-	1,000.00	-
INE516Q08372	Sub Debt			-	5,000	-	1,00,000.00	13.50%	31-Dec-27	-	-	-	500.00	-
INE516Q08380	Sub Debt			-	550	-	10,00,000.00	13.50%	31-May-27	-	-	-	550.00	-
INE516Q07226	Other Than Sub Debt			-	50	-	10,00,000.00	12.30%	09-Aug-23	-	-	-	50.00	-
INE516Q08281	Other Than Sub Debt			-	50,000	-	10,000.00	11.63%	30-May-24	-	-	-	500.00	-
INE516Q07267	Other Than Sub Debt			-	250	-	10,00,000.00	12.00%	27-Jun-22	-	-	-	250.00	-
INE516Q07275	Other Than Sub Debt			-	700	-	10,00,000.00	12.48%	09-Mar-25	-	-	-	700.00	-
INE516Q07283	Other Than Sub Debt			-	750	-	10,00,000.00	10.50%	28-Apr-23	-	-	-	750.00	-
INE516Q07291	Other Than Sub Debt			-	450	-	10,00,000.00	11.00%	29-May-23	-	-	-	450.00	-
INE516Q07309	Other Than Sub Debt			-	500	-	5,00,000.00	11.25%	21-Apr-23	-	-	-	250.00	-
INE516Q07317	Other Than Sub Debt			-	850	-	10,00,000.00	11.00%	26-Jun-23	-	-	-	850.00	-
INE516Q07341	Other Than Sub Debt			-	1,500	-	2,50,000.00	8.60%	19-May-22	-	-	-	375.00	-
INE516Q07358	Other Than Sub Debt			-	1,000	-	10,00,000.00	9.00%	14-Jun-22	-	-	-	1,000.00	-
INE516Q07366	Other Than Sub Debt			-	750	-	10,00,000.00	8.40%	30-Jun-22	-	-	-	750.00	-
INE516Q08307	Other Than Sub Debt			-	7,500	-	50,000.00	11.10%	05-Feb-23	-	-	-	375.00	-
INE516Q08323	Other Than Sub Debt			-	500	-	10,00,000.00	10.50%	08-Mar-23	-	-	-	500.00	-
INE516Q07382	Other Than Sub Debt			-	500	-	9,40,000.00	9.22%	30-May-25	-	-	-	470.00	-
INE516Q08356	Other Than Sub Debt			-	350	-	10,00,000.00	11.40%	31-Dec-24	-	-	-	350.00	-
INE516Q07390	Other Than Sub Debt			-	628	-	10,00,000.00	9.65%	13-Jul-23	-	-	-	628.00	-
INE516Q07408	Other Than Sub Debt			-	1,946	-	10,00,000.00	9.71%	29-Jan-24	-	-	-	1,946.00	-
INE516Q07416	Other Than Sub Debt			-	730	-	10,00,000.00	11.05%	27-Feb-25	-	-	-	730.00	-
INE516Q08364	Other Than Sub Debt			-	450	-	7,77,777.78	10.00%	23-Feb-24	-	-	-	350.00	-
INE516Q07424	Other Than Sub Debt			-	1,450	-	10,00,000.00	10.45%	15-Sep-26	-	-	-	1,450.00	-
INE516Q07432	Other Than Sub Debt			-	750	-	10,00,000.00	9.70%	09-May-24	-	-	-	750.00	-
INE516Q08166	Sub Debt			-	-	500	10,00,000.00	13.00%	30-Jun-22	-	-	-	-	500
INE516Q08158	Sub Debt			-	-	150	10,00,000.00	12.42%	28-Jun-23	-	-	-	-	150
INE516Q08182	Sub Debt			-	-	350	10,00,000.00	13.00%	15-Jul-22	-	-	-	-	350
INE516Q08174	Sub Debt			-	-	150	10,00,000.00	13.00%	15-Jul-22	-	-	-	-	150
INE516Q08331	Sub Debt			-	-	10,000	1,00,000.00	11.90%	26-Jun-26	-	-	-	-	1000
INE516Q07119	Other Than Sub Debt			-	-	330	10,00,000.00	13.25%	19-May-21	-	-	-	-	330
INE516Q07226	Other Than Sub Debt			-	-	50	10,00,000.00	12.30%	09-Aug-23	-	-	-	-	50
INE516Q08281	Other Than Sub Debt			-	-	50,000	10,000.00	11.63%	30-May-24	-	-	-	-	500
INE516Q08273	Other Than Sub Debt			-	-	100	10,00,000.00	11.00%	21-May-21	-	-	-	-	100
INE516Q07267	Other Than Sub Debt			-	-	250	10,00,000.00	12.00%	27-Jun-22	-	-	-	-	250
INE516Q07275	Other Than Sub Debt			-	-	700	10,00,000.00	12.48%	09-Mar-25	-	-	-	-	700
INE516Q07283	Other Than Sub Debt			-	-	750	10,00,000.00	10.50%	28-Apr-23	-	-	-	-	750
INE516Q07291	Other Than Sub Debt			-	-	450	10,00,000.00	11.00%	29-May-23	-	-	-	-	450
INE516Q07309	Other Than Sub Debt			-	-	500	8,33,333.33	11.25%	21-Apr-23	-	-	-	-	416.67
INE516Q07317	Other Than Sub Debt			-	-	850	10,00,000.00	11.00%	26-Jun-23	-	-	-	-	850
INE516Q07325	Other Than Sub Debt			-	-	1,000	10,00,000.00	9.50%	05-Feb-22	-	-	-	-	1000
INE516Q07333	Other Than Sub Debt			-	-	500	10,00,000.00	9.00%	08-Mar-22	-	-	-	-	500
INE516Q07341	Other Than Sub Debt			-	-	1,500	10,00,000.00	8.60%	19-May-22	-	-	-	-	1500
INE516Q07358	Other Than Sub Debt			-	-	1,000	10,00,000.00	9.00%	14-Jun-22	-	-	-	-	1000
INE516Q07366	Other Than Sub Debt			-	-	750	10,00,000.00	8.40%	30-Jun-22	-	-	-	-	750
INE516Q08307	Other Than Sub Debt			-	-	7,500	1,00,000.00	11.10%	05-Feb-23	-	-	-	-	750
INE516Q08315	Other Than Sub Debt			-	-	1,000	10,00,000.00	10.50%	03-Mar-23	-	-	-	-	1000
INE516Q08323	Other Than Sub Debt			-	-	500	10,00,000.00	10.50%	08-Mar-23	-	-	-	-	500
INE516Q07382	Other Than Sub Debt			-	-	500	10,00,000.00	9.22%	30-May-25	-	-	-	-	500

17.5 Details of terms of repayment - term loans from bank and others

As at three months period ended June 30,2023

Tenure	Repayment	Interest Range	Due with in 1 year		Due within 1 to 2 year		Due within 2 to 3 year		Due within 3 to 4 years		Due within 4 to 5 years		Above5years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
1 to 3 year	Bullet	9%-11%	7.00	2,244.50	1.00	180.00	-	-	-	-	-	-	-	-
	Monthly	5%-7%	12.00	580.66	9.00	435.46	-	-	-	-	-	-	-	-
		7%-9%	43.00	742.30	11.00	187.49	-	-	-	-	-	-	-	-
		9%-11%	374.00	11,433.93	206.00	7,507.31	43.00	1,102.63	-	-	-	-	-	-
		11%-13.5%	57.00	1,875.03	23.00	1,009.00	2.00	135.20	-	-	-	-	-	-
	Quarterly	7%-9%	7.00	587.57	4.00	333.33	1.00	82.58	-	-	-	-	-	-
		9%-11%	131.00	12,908.62	96.00	9,143.92	17.00	1,386.37	-	-	-	-	-	-
	Half Yearly	9%-11%	2.00	250.00	-	-	-	-	-	-	-	-	-	-
		11%-13.5%	8.00	731.90	4.00	422.50	-	-	-	-	-	-	-	-
Above 3 year	Quarterly	9%-11%	8.00	1,342.30	8.00	1,142.30	8.00	542.30	7.00	462.30	3.00	166.73	-	-
		11%-13.5%	4.00	840.00	4.00	840.00	4.00	690.00	4.00	240.00	3.00	180.00	-	-

As at three months period ended June 30, 2022

Tenure	Repayment	Interest Range	Due with in 1 year		Due within 1 to 2 year		Due within 2 to 3 year		Due within 3 to 4 years		Due within 4 to 5 years		Above5years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
1 to 3 year	Bullet	7%-9%	2	750.00	-	-	-	-	-	-	-	-	-	-
		9%-11%	4	80.00	7	2,244.50	1	180.00	-	-	-	-	-	-
	Monthly	5%-7%	10	483.88	12	580.66	9	435.46	-	-	-	-	-	-
		7%-9%	163	3,801.88	64	1,806.47	16	812.43	-	-	-	-	-	-
		9%-11%	275	7,531.63	137	2,213.16	18	273.91	-	-	-	-	-	-
	Quarterly	7%-9%	33	1,850.91	28	1,914.55	17	1,148.18	-	-	-	-	-	-
		9%-11%	30	2,037.03	13	882.42	3	125.00	-	-	-	-	-	-
	Half Yearly	7%-9%	1	125.00	3	375.00	-	-	-	-	-	-	-	-
		9%-11%	4	70.00	-	-	-	-	-	-	-	-	-	-
		11%-13.5%	8	724.40	8	731.90	4	422.50	-	-	-	-	-	-
Above 3 year	Quarterly	9%-11%	13	1,735.58	16	1,802.30	16	1,302.30	14	662.30	70	462.30	30	166.73

As at year ended March 31, 2023

Tenure	Repayment	Interest Range	Due with in 1 year		Due within 1 to 2 year		Due within 2 to 3 year		Due within 3 to 4 years		Due within 4 to 5 years		Above5years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
1 to 3 year	Bullet	9%-11%	10	3,744.50	-	-	-	-	-	-	-	-	-	-
	Monthly	5%-7%	-	-	24	1,161.28	-	-	-	-	-	-	-	-
		7%-9%	16	335.43	20	333.33	-	-	-	-	-	-	-	-
		9%-11%	57	1,775.65	278	9,073.53	189	6,463.80	-	-	-	-	-	-
		11%-13.5%	13	571.43	-	-	29	1,933.40	-	-	-	-	-	-
	Quarterly	7%-9%	-	-	18	2,468.29	-	-	-	-	-	-	-	-
		9%-11%	7	632.50	102	10,365.83	42	4,804.55	-	-	-	-	-	-
	Half Yearly	9%-11%	4	537.50	-	-	-	-	-	-	-	-	-	-
Above 3 years	Monthly	7%-9%	-	-	36	625.00	-	-	-	-	-	-	-	-
		9%-11%	-	-	54	628.76	63	3,229.17	-	-	-	-	-	-
		11%-13.5%	-	-	56	1,014.10	-	-	-	-	-	-	-	-
	Quarterly	7%-9%	-	-	-	-	30	2,560.53	-	-	-	-	-	-
		9%-11%	-	-	16	1,090.27	-	-	32	1,880.00	36	3,991.50	-	-
		11%-13.5%	-	-	-	-	-	-	-	-	20	3,000.00	-	-
	Half Yearly	11%-13.5%	2	44.40	10	1,110.00	-	-	-	-	-	-	-	-

As at year ended March 31, 2022

Tenure	Repayment	Interest Range	Due within 1 year		Due within 1-2 years		Due within 2-3 years		Due within 3-4 years		Due within 4-5 years		Over 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
1yr-3yrs	Bullet	8%-9%	2	750.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	2	-	1	862.50	-	-	-	-	-	-	-	-
		10%-11%	8	80.00	6	1,382.00	2	200.00	-	-	-	-	-	-
	Monthly	7%-8%	41	579.41	31	429.55	10	-	-	-	-	-	-	-
		8%-9%	184	4,261.98	72	1,761.07	24	688.69	-	-	-	-	-	-
		9%-10%	245	7,701.71	86	2,279.10	13	202.10	-	-	-	-	-	-
		10%-11%	51	1,338.34	28	360.00	8	136.67	-	-	-	-	-	-
	Quarterly	7%-8%	4	363.64	4	363.64	1	90.91	-	-	-	-	-	-
		8%-9%	12	454.55	4	363.64	4	363.64	-	-	-	-	-	-
		9%-10%	28	1,909.38	11	812.94	-	-	-	-	-	-	-	-
		10%-11%	2	33.33	-	-	-	-	-	-	-	-	-	-
		11%-12%	2	32.73	-	-	-	-	-	-	-	-	-	-
	Half Yearly	10%-11%	1	625.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	2	-	-	-	-	-	-	-	-	-	-	-
	Yearly	11%-12%	1	94.67	1	94.67	1	94.67		-		-	-	-
3yrs Above	Monthly	9%-10%	15	588.89	16	-	4	-	-	-	-	-	-	-
		10%-11%	14	107.83	12	103.27	5	46.80	-	-	-	-	-	-
	Quarterly	9%-10%	18	1,926.79	16	1,846.67	15	1,405.00	12	480.00	4	320.00	-	-
		10%-11%	4	-	4	222.30	4	222.30	4	222.30	4	222.30	4	222.30
	Half Yearly	10%-11%	4	70.00	-	-	-	-	-	-	-	-	-	-
		11%-12%	8	724.40	8	731.90	4	422.50	-	-	-	-	-	-

As at year ended March 31, 2021

Tenure	Repayment	Interest Range	Due within 1 year		Due within 1-2 years		Due within 2-3 years		Due within 3-4 years		Due within 4-5 years		Over 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
1yr-3yrs	Bullet	8%-9%	2	1,250.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	-	-	-	-	1	862.50	-	-	-	-	-	-
		10%-11%	1	500.00	-	-	2	1,302.00	-	-	-	-	-	-
	Monthly	7%-8%	3	125.00	-	-	-	-	-	-	-	-	-	-
		8%-9%	24	550.00	23	525.00	-	-	-	-	-	-	-	-
		9%-10%	193	4,202.06	120	2,837.15	2	41.67	-	-	-	-	-	-
		10%-11%	48	854.31	-	-	-	-	-	-	-	-	-	-
		11%-12%	70	2,031.37	19	878.33	1	66.67	-	-	-	-	-	-
	Quarterly	9%-10%	34	1,619.89	17	947.16	6	531.82	1	27.27	-	-	-	-
		10%-11%	29	2,519.96	15	1,056.75	-	-	-	-	-	-	-	-
		11%-12%	8	132.12	4	66.06	-	-	-	-	-	-	-	-
	Half Yearly	7%-8%	2	1,250.00	1	625.00	-	-	-	-	-	-	-	-
		9%-10%	1	166.60	2	333.40	-	-	-	-	-	-	-	-
3yrs Above	Bullet	10%-11%	-	-	-	-	2	189.33	1	94.67	-	-	-	-
	Monthly	9%-10%	21	262.50	14	116.67	11	76.39	4	27.78	-	-	-	-
	Quarterly	9%-10%	12	712.30	9	598.46	6	420.00	8	260.00	8	160.00	2	40.00
	Half-yearly	10%-11%	6	90.00	4	70.00	-	-	-	-	-	-	-	-
		11%-12%	10	896.70	8	724.40	8	731.90	4	422.50	-	-	-	-

17.6 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities (including subordinated liabilities)	Borrowings (other than debt)	Commercial Paper	Total
April 01, 2020	**6,622.57**	**38,154.91**	**229.02**	**45,006.50**
Proceeds	11,150.00	19,724.50	-	**30,874.50**
Repayment	(3,557.50)	(25,475.93)	(226.66)	**(29,260.09)**
Interest expense	1,036.55	3,462.10	20.98	**4,519.63**
Interest paid	(858.58)	(3,496.86)	(23.34)	**(4,378.78)**
Fair Value Changes	-	(20.03)	-	**(20.03)**
March 31, 2021	**14,393.04**	**32,348.69**	**0.00**	**46,741.73**
Proceeds	8,930.00	33,816.70	-	**42,746.70**
Repayment	(5,931.56)	(28,530.89)	-	**(34,462.45)**
Interest expense	1,793.74	3,789.32	-	**5,583.06**
Interest paid	(1,682.91)	(3,382.37)	-	**(5,065.28)**
Fair Value Changes	-	(29.04)	-	**(29.04)**
March 31, 2022	**17,502.31**	**38,012.41**	**0.00**	**55,514.72**
Proceeds	-	5,000.00	-	**5,000.00**
Repayment	(3,018.75)	(5,652.34)	-	**(8,671.09)**
Interest expense	437.90	852.87	-	**1,290.77**
Interest paid	(508.34)	(698.60)	-	**(1,206.94)**
Fair Value Changes	-	-	-	**-**
June 30, 2022	**14,413.12**	**37,514.34**	**0.00**	**51,927.46**
April 01, 2022	**17,502.31**	**38,012.41**	**0.00**	**55,514.72**
Proceeds	3,900.00	53,427.60	3,469.57	**60,797.17**
Repayment	(6,056.73)	(23,934.60)	(3,469.57)	**(33,460.90)**
Interest expense	1,687.10	4,071.02	47.65	**5,805.77**
Interest & Transaction cost paid	(1,311.33)	(4,075.39)	(47.65)	**(5,434.37)**
Fair Value Changes	-	-	-	**-**
March 31, 2023	**15,721.35**	**67,501.04**	**-**	**83,222.39**
Proceeds	1,500.00	5,850.00	590.62	**7,940.62**
Repayment	(2,835.33)	(9,487.32)	(590.62)	**(12,913.27)**
Interest expense	389.03	1,519.65	9.38	**1,918.06**
Interest & Transaction cost paid	(411.42)	(1,390.55)	(9.38)	**(1,811.35)**
Fair Value Changes	-	-	-	**-**
June 30, 2023	**14,363.63**	**63,992.82**	**-**	**78,356.45**

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
18	**Subordinated liabilities**					
	Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	5,363.78	2,674.11	3,940.11	3,192.04	2,147.69
		5,363.78	**2,674.11**	**3,940.11**	**3,192.04**	**2,147.69**
19	**Other financial liabilities**					
	(a) Interest payable on assets assigned	463.54	509.38	369.68	318.90	207.70
	(b) Lease liabilities (Also, refer note 34)	1,102.97	923.31	1,034.56	762.70	103.56
	(c) Other payables	1,255.15	353.96	337.06	294.74	346.04
		2,821.66	**1,786.65**	**1,741.30**	**1,376.34**	**657.30**
20 (a)	**Current tax liabilities (net)**					
	Provision for taxation (net)	-	-	-	-	-
		-	**-**	**-**	**-**	**-**
20 (b)	**Provisions (Also, refer note 35)**					
	(a) Provision for compensated absences	70.18	3.73	46.65	85.08	119.00
	(b) Provision for gratuity	79.80	80.63	58.15	64.68	31.68
		149.98	**84.36**	**104.80**	**149.76**	**150.68**
21	**Other non financial liabilities**					
	(a) Statutory dues payable	110.25	70.37	131.65	83.71	52.65
	(b) Other payables	58.45	58.38	58.40	58.38	79.01
	(c) Advance from customers	-	-	-	-	-
		168.70	**128.75**	**190.05**	**142.09**	**131.66**

(All amounts in ₹ Millions unless otherwise stated)

22 Equity share capital

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised*					
9,00,00,000.00 equity shares (March 31, 2023 - 9,00,00,000.00, June 30, 2022 - 9,00,00,000.00, March 31, 2022 - 9,00,00,000.00 and March 31, 2021 9,00,00,000.00) of Rs. 10/- each**	900.00	900.00	900.00	900.00	900.00
10,00,000 preference shares of Rs. 100/- each*	100.00	100.00	100.00	100.00	100.00
Issued, subscribed and paid up* **					
66,761,124 shares (as at March 31, 2023 62,640,245 shares, as at June 2022 53,311,887 shares, as at March 31, 2022 - 53,311,887 shares and as at March 31, 2021 53,311,887 shares) of Rs. 10/- each	667.61	533.12	626.40	533.12	533.12

*Subsequent to the three months period ended June 30, 2023, the authorized preference share capital was sub-divided from 10,00,000 Preference Shares of Rs.100 each to 1,00,00,000 Preference Shares of Rs.10 each. Further the Company reclassified 1,00,00,000 Preference Shares of Rs.10 each to 1,00,00,000 Equity Shares of Rs.10 each

**Subsequent to the three months period ended June 30, 2023, the authorized equity share capital was increased from 10,00,00,000 equity shares of Rs. 10 each amounting to Rs. 1,000 million to 30,00,00,000 equity shares of INR 10 each amounting to Rs. 3,000 million which was duly approved by the board in meeting dated August 16, 2023 and by the shareholders of the Company by means of an ordinary resolution dated August 18, 2023.

***Post increase of the existing authorised share capital of the company, the Board of Directors at its meeting held on August 16, 2023 had approved the bonus issue of two for every one share held on record date which was approved by the shareholders by means of a special resolution dated August 18, 2023. Through a Board resolution dated August 26, 2023, the Company has allotted 13,35,22,248 equity shares of Rs.10 each as bonus shares to the existing equity shareholders of the Company.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at June 30, 2023		As at June 30, 2022	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the period/year	6,26,40,245	626.40	5,33,11,887	533.12
Issued during the quarter	41,20,879	41.21	-	-
Outstanding at the end of the period/year	**6,67,61,124**	**667.61**	**5,33,11,887**	**533.12**

Equity Shares	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares*	Amount	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the period/year	5,33,11,887	533.12	5,33,11,887	533.12	5,33,11,887	533.12
Issued during the year	93,28,358	93.28	-	-	-	-
Outstanding at the end of the period/year	**6,26,40,245**	**626.40**	**5,33,11,887**	**533.12**	**5,33,11,887**	**533.12**

Terms / Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Dividend proposed by the Board of Directors,if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

Employees Stock Option Scheme (ESOS) (Also, refer note 52) :
During the year ended March 31, 2020, the Company introduced Employee Stock Option Scheme to eligible employees of the Company w.e.f from July 01, 2019 ("Relevant Date"). Accordingly 8,30,000 options were issued with a graded vesting period and 28,875 options are outstanding as at June 30, 2023.

Shareholding of Promoters as below:**

Promoter name	Shares held by promoters at on 30 June 2023			Shares held by promoters at on 30 June 2022		
	No. of Shares*	% of total shares	% Change during the year***	No. of Shares*	% of total shares	% Change during the year***
Manappuram Finance Limited	6,51,61,873	97.60%	0.00%	5,19,85,856	97.51%	0.00%

Promoter name	Shares held by promoters at on 31 March 2023			Shares held by promoters at on 31 March 2022		
	No. of Shares*	% of total shares	% Change during the year***	No. of Shares*	% of total shares	% Change during the year***
Manappuram Finance Limited	6,11,38,729	97.60%	0.09%	5,19,85,856	97.51%	2.72%

Promoter name	Shares held by promoters at on 31 March 2021		
	No. of Shares*	% of total shares	% Change during the year***
Manappuram Finance Limited	5,05,33,878	94.79%	1.56%

* Details shall be given separately for each class of shares
** Pursuant to Board Resolution dated September 22, 2023, based on the current operations and management of the Company and the provisions of the Companies Act, SEBI Regulations and other applicable laws, only Manappuram Finance Limited will be the promoter of the Company.

*** Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Details of shareholders holding more than 5% shares in the company

Class of shares / Name of shareholder	As at June 30, 2023		As at June 30, 2022	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of Rs. 10 each Manappuram Finance Limited (the Holding Company)	6,51,61,873	97.60%	5,19,85,856	97.51%

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of Rs. 10 each Manappuram Finance Limited (the Holding Company)	6,11,38,729	97.60%	5,19,85,856	97.51%	5,05,33,878	94.79%

** No. of shares are in absolute numbers*

(All amounts in ₹ Millions unless otherwise stated)

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
23	**Other equity**					
	(a) Capital redemption reserve	50.00	50.00	50.00	50.00	50.00
	(b) (i) ESOS Contribution from Holding Company	-	-	-	-	-
	(ii) ESOP Contribution	2.80	8.29	5.36	14.40	17.79
	(c) Statutory reserve	1,449.15	1,002.29	1,449.15	1,002.29	974.43
	(d) Securities premium account	9,446.59	5,581.09	7,987.81	5,581.09	5,581.09
	(e) General reserve	13.34	9.62	11.37	6.18	3.59
	(f) Surplus in statement of profit and loss	6,430.37	3,428.80	5,303.12	3,515.70	3,404.26
	(g) Remeasurement Gain/Loss On Defined Benefit Obligation	(10.75)	(0.47)	(4.30)	0.67	(14.91)
	(h) OCI(Effective portion of cash flow hedge)	36.40	65.56	65.54	35.54	6.50
	(i) Equity Investments Fair valued through other comprehensive income	0.07	0.07	0.07	0.07	0.40
	(j) Other Investments Fair valued through other comprehensive income	(39.04)	(66.55)	(51.25)	(27.77)	-
	(k) OCI(Tax related to items that will not be reclassified)	2.03	(0.55)	0.41	(0.84)	3.00
	(l) OCI(Tax related to items that will be reclassified)	0.66	0.24	(3.60)	(1.96)	(1.64)
		17,381.62	**10,078.39**	**14,813.68**	**10,175.37**	**10,024.51**

(a) Capital redemption reserve
In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve

(b) (i)ESOS Contribution from Holding Company
Under Ind AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service.

(b) (ii)ESOS Contribution

Under Ind AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service.

(c) Statutory reserve
Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve on the restated financial information.

(d) Securities Premium Account
Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(e) General reserve
General reserve represents an appropriation of profits by the Company.

(f) Surplus in statement of profit and loss
Surplus in statement of profit and loss represents the surplus in Profit and Loss Account and appropriations.

(g) Other comprehensive income (OCI) - Remeasurement Gain/ Loss On Defined Benefit Obligation
Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability.

(h) OCI (Effective portion of cash flow hedge)
Represents remeasurement of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI

(i) Equity Investments Fair valued through other comprehensive income
Represents the change in equity investments which is fair value through OCI

(j) Other Investments Fair valued through other comprehensive income
Represents the change in other investments which are fair value through OCI

(k) OCI (Tax related to items that will not be reclassified)
Represents the tax relating to items that will not be reclassified

(l) OCI (Tax related to items that will be reclassified)
Represents the tax realting to items that will be reclassified

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Capital redemption reserve					
Opening balance	50.00	50.00	50.00	50.00	50.00
Add: Additions during the year	-	-	-	-	-
Less: Utilised / transferred during the year	-	-	-	-	-
Closing balance	**50.00**	**50.00**	**50.00**	**50.00**	**50.00**
(b) (i) ESOS Contribution from Holding Company					
Opening balance	-	-	-	-	2.26
Add : (Reversal)/Contibution during the year	-	-	-	-	(2.26)
Less : Utilised during the year	-	-	-	-	-
Closing balance	-	-	-	-	-
(ii) ESOS Contribution (Refer Note No. 52)					
Opening balance	5.36	14.40	14.40	17.79	7.31
Add/(Less) : (Reversal)/Contibution during the year	0.06	(1.51)	(2.10)	0.07	10.48
Less : Adjustment for Forfeiture and Expiration	(2.62)	(4.60)	(6.94)	(3.46)	-
Less : Utilised during the year	-	-	-	-	-
Closing balance	**2.80**	**8.29**	**5.36**	**14.40**	**17.79**
(c) Statutory reserve					
Opening balance	1,449.15	1,002.29	1,002.29	974.43	941.93
Add: Additions during the year (Also, refer note no 50)	-	-	446.86	27.86	32.50
Less: Utilised / transferred during the year	-	-	-	-	-
Closing balance	**1,449.15**	**1,002.29**	**1,449.15**	**1,002.29**	**974.43**

(d) Securities premium account					
Opening balance	7,987.81	5,581.09	5,581.09	5,581.09	5,581.09
Add : Premium on shares issued during the year	1,458.79	-	2,406.72	-	-
Less : Utilised during the year	-	-	-	-	-
Closing balance	**9,446.60**	**5,581.09**	**7,987.81**	**5,581.09**	**5,581.09**
(e) General reserve					
Opening balance	11.38	6.18	6.18	3.59	3.59
Add: Transferred from surplus in statement of profit and loss	-	-	-	-	-
Less: Utilised / transferred during the year	-	-	-	-	-
Add : Adjustment for Forfeiture and Expiration ESOP	2.62	4.60	6.94	3.46	-
Less: Adjustment for Deferred Tax	(0.66)	(1.16)	(1.75)	(0.87)	-
Closing balance	**13.34**	**9.62**	**11.37**	**6.18**	**3.59**
(f) Surplus in statement of profit and loss					
Opening balance	5,303.12	3,515.70	3,515.70	3,404.26	3,275.75
Add / (Less) : Profit for the year	1,127.25	(86.91)	2,234.28	139.30	161.01
Less: Restatement Impact	-	-	-	-	-
Less:Transfer to Statutory Reserve	-	-	(446.86)	(27.86)	(32.50)
Closing balance	**6,430.37**	**3,428.79**	**5,303.12**	**3,515.70**	**3,404.26**
(g) Remeasurement Gain/Loss On Defined Benefit Obligation					
Opening balance	(4.30)	0.67	0.67	(14.91)	3.52
Add / (Less): Effect for the year	(6.45)	(1.14)	(4.97)	15.58	(18.43)
Less:Transfer to Statutory Reserve	-	-	-	-	-
Closing balance	**(10.75)**	**(0.47)**	**(4.30)**	**0.67**	**(14.91)**
(h) OCI (Effective portion of cash flow hedge)					
Opening balance	65.54	35.54	35.54	6.50	-
Add / (Less): Effect for the year	(29.15)	30.02	30.00	29.04	6.50
Closing balance	**36.39**	**65.56**	**65.54**	**35.54**	**6.50**
(i) Equity Investments Fair valued through other comprehensive income					
Opening balance	0.07	0.07	0.07	0.40	-
Less: Effect for the year	-	-	-	(0.33)	0.40
Closing balance	**0.07**	**0.07**	**0.07**	**0.07**	**0.40**
(j) Investments Fair valued through other comprehensive income					
Opening balance	(51.25)	(27.77)	(27.77)	-	-
Less: Effect for the year	12.21	(38.78)	(23.48)	(27.77)	
Closing balance	**(39.04)**	**(66.55)**	**(51.25)**	**(27.77)**	**-**
(k) OCI (Tax related to items that will be reclassified)					
Opening balance	(3.60)	(1.96)	(1.96)	(1.64)	-
Less: Effect for the year	4.26	2.20	(1.64)	(0.32)	(1.64)
Closing balance	**0.66**	**0.24**	**(3.60)**	**(1.96)**	**(1.64)**
(l) OCI (Tax related to items that will not be reclassified)					
Opening balance	0.41	(0.84)	(0.84)	3.00	(1.54)
Less: Effect for the year	1.62	0.29	1.25	(3.84)	4.54
Closing balance	**2.03**	**(0.55)**	**0.41**	**(0.84)**	**3.00**
Total	**17,381.62**	**10,078.38**	**14,813.68**	**10,175.37**	**10,024.51**

(All amounts in ₹ Millions unless otherwise stated)

		Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
24 (a)	**Interest income**					
	(i) Interest income from loan:					
	- Interest on loan- microfinance loans	5,252.97	3,005.91	13,956.95	11,438.54	9,239.79
	- Interest on loan- MSME & Gold loans	388.05	185.06	1,086.10	299.21	59.00
	(ii) Interest on deposits with banks and financial institutions	96.10	79.40	409.33	192.57	277.50
	(iii) Other interest income	-	-	-	-	-
		5,737.12	**3,270.37**	**15,452.38**	**11,930.32**	**9,576.29**
24 (b)	**Net gain on derecognition of financial instruments under amortised cost category**					
	Net gain on derecognition of financial instruments under amortised cost category	551.32	104.44	1,036.95	1,169.72	714.80
		551.32	**104.44**	**1,036.95**	**1,169.72**	**714.80**
24 (c)	**Dividend income and gain on sale of mutual fund**					
	Dividend income and gain on sale of mutual fund	-	-	-	111.88	128.69
		-	**-**	**-**	**111.88**	**128.69**
25	**Other operating income**					
	Loss assets recovered	82.19	231.61	662.62	466.98	109.92
		82.19	**231.61**	**662.62**	**466.98**	**109.92**
26	**Other income**					
	(a) Referral fees	124.27	9.88	405.20	426.18	227.12
	(b) Miscellaneous income	21.89	(2.56)	35.61	13.82	15.03
		146.16	**7.32**	**440.81**	**440.00**	**242.15**
27	**Finance cost**					
	(a) Interest on borrowings					
	- Term Loans from banks	1,468.55	641.92	3,671.15	3,219.79	2,771.97
	- Term Loans from NBFCs	116.91	73.89	366.99	215.73	201.85
	- Borrowings under securitisation arrangement	94.75	-	22.49	8.49	337.85
	- Other financial institutions	-	189.34	189.34	359.58	150.42
	- Commercial paper	10.14	0.00	47.90	-	20.98
	- Overdraft	11.33	-	33.48	-	-
	(b) Interest on debt securities					
	- Debentures & subordinated liabilities	389.03	424.45	1,734.04	1,793.74	1,036.55
	(c) Other interest expense					
	- Interest on finance lease obligations	32.63	33.21	119.69	58.69	9.34
	(d) Other Borrowing Costs					
	- Loan processing fees	25.14	8.89	57.54	13.69	7.63
	- Bank charges	23.74	22.53	55.85	58.22	38.82
		2,172.22	**1,394.23**	**6,298.47**	**5,727.93**	**4,575.41**

(All amounts in ₹ Millions unless otherwise stated)

		Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
28	**Impairment of financial instruments**					
	Loans (Also, refer note 7.4)	960.59	1,186.76	2,736.84	4,068.22	2,998.09
		960.59	**1,186.76**	**2,736.84**	**4,068.22**	**2,998.09**
	Less : Exceptional item	-	-		-	-
		960.59	**1,186.76**	**2,736.84**	**4,068.22**	**2,998.09**
29	**Employee benefit expenses**					
	(a) Salaries and wages	1,097.12	675.57	3,511.05	2,380.13	1,709.25
	(b) Contributions to provident and other funds	103.38	81.31	381.62	62.90	144.22
	(c) Gratuity expenses (Also, refer note 35)	15.19	14.85	69.36	64.05	27.27
	(d) Staff welfare expenses	(5.90)	1.07	6.47	181.34	5.27
	(e) ESOP Expenses (Refer Note No. 52)	0.06	(1.51)	(2.10)	0.07	8.22
		1,209.85	**771.29**	**3,966.40**	**2,688.49**	**1,894.23**
30	**Depreciation and amortisation expense (Also, refer note 12)**					
	(a) Depreciation of tangible assets	38.02	67.28	97.33	217.70	92.71
	(b) Amortization of other intangible assets	7.61	4.38	13.94	39.51	14.33
	(c) Amortization of right of use asset	57.50	54.44	228.44	95.14	11.33
		103.13	**126.10**	**339.71**	**352.35**	**118.37**
31	**Other expenses**					
	(a) Electricity	13.10	7.28	31.95	17.03	12.83
	(b) Rent (Also, refer note 34)	14.71	0.26	18.47	88.47	123.78
	(c) Repairs and maintenance	1.71	7.73	17.80	7.93	6.56
	(d) Insurance	16.70	10.26	35.93	49.54	29.25
	(e) Rates and taxes	4.12	4.43	17.09	13.21	6.52
	(f) Communication expenses	29.33	12.99	92.77	64.50	31.66
	(g) Travel and conveyance	134.94	89.02	463.57	319.08	265.44
	(h) Printing and stationery	21.08	4.25	30.50	35.05	23.80
	(i) Directors' sitting fees	1.26	1.10	5.13	5.51	2.89
	(j) Business promotion	13.64	8.87	41.88	20.45	0.58
	(k) CSR expenses (Also, refer note 48)	11.58	5.99	23.97	36.55	34.45
	(l) Legal and professional fees	23.47	25.33	78.29	68.85	50.20
	(m) Provision for insurance claim receivable	70.29	14.94	(17.62)	33.95	30.17
	(n) Subscription charges	0.04	21.39	3.07	8.64	7.96
	(o) Software costs (Also, refer note 36)	54.76	26.10	143.23	175.94	204.52
	(p) Security charges	0.36	0.09	(0.19)	1.08	0.69
	(q) House keeping expenses	7.44	4.71	20.68	33.82	14.66
	(r) Office expenses	15.58	0.60	22.95	8.98	6.27
	(s) Directors commission (Also, refer note 36)	8.77	3.00	12.00	13.80	6.79
	(t) Loss on sale of property, plant & equipment	0.07	-	-	-	0.01
	(u) Payments to statutory auditors' (net of input tax credit)					
	- Statutory audit	0.59	-	2.15	1.60	1.60
	- Tax audit	0.04	-	0.15	0.15	0.20
	- Other services (Limited Review, Interim Audit and Certification)	0.24	0.30	1.63	0.95	0.65
	- Out of pocket expenses	(0.86)	0.56	2.78	0.24	0.27
	(v) Miscellaneous expenses	21.22	(5.25)	93.90	81.95	26.10
		464.18	**243.95**	**1,142.08**	**1,087.27**	**887.85**

32 Segment reporting

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM)* evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. Microfinance Loans.The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company,and makes strategic decisions. The BOD, which has been identified as being the chief operating decision maker As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets & liabilities.

33 Earnings per share

Basic and Diluted earnings per share :

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
(a) Net Profit attributable to Equity Shareholders - ₹ in Millions (Basic and Diluted)	1,127.25	(86.92)	2,234.28	139.30	161.01
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)*	18,80,56,588.15	15,99,35,661.00	17,40,43,205.15	15,99,35,661.00	15,99,35,661.00
(c) Earnings per share - Basic and Diluted - ₹ (Per equity share, face value Rs.10/- each)	5.99	(0.54)	12.84	0.87	1.01

(EPS for Three months period ended June 30, 2022 and June 30, 2023 are not annualised)

* The Board of directors of the Company at its meeting held on August 16, 2023, considered and approved issue of 2 bonus equity shares of face value of Rs. 10/- each against 1 equity share of the face value of Rs. 10 each. The shareholders in their meeting held on August 18 ,2023, have approved the issue of bonus shares and through a Board resolution dated August 26, 2023, the Company has allotted equity shares as bonus shares to the existing equity shareholders of the Company. The Company has adjusted earning per share for all the periods presented as per Ind AS 33. The impact of bonus shares on the rights issue is considered from the date when the shares under rights issue were alloted.

34 Leases

Details of Income/Expense recognied in the statement of Profit and Loss :	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense on right-of-use assets	57.50	54.44	228.44	95.14	11.33
Interest expense on lease liabilities	32.63	33.21	119.69	58.69	9.34
Total cash outflow for leases	71.84	66.35	256.80	111.38	16.99
Lease expense on Low Value Assets / Short term assets	14.71	0.26	18.47	88.47	123.78
	176.68	**154.26**	**623.40**	**353.68**	**161.44**

Maturity analysis of Lease Liabilities (valued on undiscounted basis):

	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Year 1	106.36	82.77	86.99	186.60	64.93
Year 2	264.65	246.20	297.19	189.60	51.45
Year 3	117.35	379.62	172.17	118.80	49.37
Year 4	104.99	15.13	44.49	101.50	46.51
Year 5	454.50	146.43	336.12	101.00	32.58

35 Employee benefits

35.1 Defined contribution plan

(a) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. 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.

(All amounts in ₹ Millions unless otherwise stated)

	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
(b) Expenses recognised					
Included under 'Contributions to Provident and Other Funds' (Refer Note 29)					
Contributions to provident and pension funds	82.32	62.51	298.96	7.68	107.71
Contributions to Employee State Insurance	21.06	18.80	82.66	55.22	36.51
	103.38	**81.31**	**381.62**	**62.90**	**144.22**

35.2 Compensated absences

Expenses recognised

	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Included under salaries and wages (Refer Note 29)	23.59	(61.01)	2.90	27.77	32.47
	23.59	**(61.01)**	**2.90**	**27.77**	**32.47**

	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Current portion	21.49	8.85	13.66	19.27	20.91
Non - current portion	48.69	19.15	32.99	13.99	98.08
Net liability recognised in the balance sheet	**70.18**	**28.00**	**46.65**	**33.26**	**118.99**

35 Employee benefits (continued)

35.2 Compensated absences (continued)

The key assumptions used in the computation of provision for compensated absences are as given below:

		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount Rate (% p.a)		6.90%	6.80%	7.10%	6.27%	6.59%
Future Salary Increase (% p.a)		10.00%	10.00%	10.00%	10.00%	10.00%
Attrition Rate	(i) below 35 years	35.00%	35.00%	35.00%	24.00%	16.00%
	(ii) above 35 years	20.00%	20.00%	20.00%	24.00%	16.00%

35.3 Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Amounts recognised in statement of profit & loss					
Service cost					
- Current service cost	14.01	13.57	68.13	61.91	27.63
- Past service cost	-	-	-	-	-
- Net interest expense	1.18	1.28	1.23	2.14	(0.36)
Components of defined benefit costs recognised in statement of profit or loss (A)	**15.19**	**14.85**	**69.36**	**64.05**	**27.27**
Amounts recognised in statement of other comprehensive income					
Actuarial (gain)/loss on Plan Obligations	7.57	37.54	46.38	(33.36)	17.06
Difference between actual return and interest income on plan assets- (gain)/loss	(1.12)	(36.40)	(41.41)	17.78	1.36
Components of defined benefit costs recognised in other comprehensive income (B)	**6.45**	**1.14**	**4.97**	**(15.58)**	**18.42**
Total	**21.64**	**15.99**	**74.33**	**48.47**	**45.69**

(i) The current service cost and interest expense for the year are included in the Note 29 - Employee benefit expenses in the statement of profit & loss under the line contribution to provident and other funds.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.
(iii) The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit credit method.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	259.86	201.77	245.55	142.47	121.58
Fair value of plan assets	180.06	121.46	187.40	77.79	89.91
Net (Liability) recognised in the balance sheet	**(79.80)**	**(80.31)**	**(58.15)**	**(64.68)**	**(31.67)**
Current portion of the above	-				-
Non current portion of the above	(79.80)	(80.31)	(58.15)	(64.68)	(31.67)
	(79.80)	**(80.31)**	**(58.15)**	**(64.68)**	**(31.67)**

(c) Movement in the present value of the defined benefit obligation are as follows :

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	245.55	142.47	142.47	121.59	59.92
Expenses recognised in profit and loss account					
- Current Service cost	14.01	14.55	65.53	46.44	27.63
- Interest expense (income)	4.36	2.33	9.30	7.67	3.84
Remeasurement gains / (losses)	-	-	-	-	-
- Effect of Changes in Demographic assumptions	-	(17.24)	(25.21)	(25.42)	-
- Effect of Changes in financial assumptions	2.25	(2.14)	(6.20)	2.56	(1.44)
- Effect of experience adjustments	5.33	56.92	77.79	(10.50)	18.50
Benefit payments	(14.83)	(4.22)	(41.16)	(15.99)	(2.99)
Effect of transfer of employees from Holding Company	3.19	9.10	23.03	16.12	16.12
Present value of defined benefit obligation at the end of the year	**259.86**	**201.77**	**245.55**	**142.47**	**121.58**

(i) The weighted average duration of the benefit obligation at June 30, 2023 is 3 years (June 30 2022 is 3 years, at March 31, 2023 is 2 years, as at March 31, 2022 is 6.233 years as at March 31, 2021 is 10.523 years)

35 Employee benefits (continued)

35.3 Defined benefit plans (continued)

(d) Movement in fair value of plan assets are as follows :

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	187.40	77.79	77.79	89.91	56.84
expenses recognised in profit and loss account					
- Expected return on plan assets	3.18	1.05	8.08	5.53	4.20
Remeasurement gains / (losses)	-	-	-	-	-
- Actuarial gains/(loss) arising form changes in financial assumptions	1.12	36.40	41.41	(17.78)	(1.36)
Contributions by employer (including benefit payments recoverable)	-	1.32	78.25	-	17.10
Benefit payments	(14.83)	(4.22)	(41.16)	(15.99)	(2.99)
Effect of transfer of employees from Holding Company	3.19	9.12	23.03	16.12	16.12
Fair value of plan assets at the end of the year	**180.06**	**121.46**	**187.40**	**77.79**	**89.91**

(e) The fair value of plan assets for India at the end of the reporting period for each category are as follows :

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Investment funds with insurance company (Life Insurance Corporation of India)	180.06	121.46	187.40	77.79	89.91

(i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

(ii) The actual return on plan asset as for the three months period ended June 30, 2023 was Rs.4.30 Millions (for the three months period ended June 30, 2022 was Rs. 37.44 Millions, for the year ended March 31, 2023 was Rs.49.49 Millions, for the year ended March 31, 2022 was Rs.17.78 Millions and for the year ended March 31, 2021 was Rs.1.36 Millions.)

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount rate	6.90%	6.80%	7.10%	6.53%	6.75%
Expected rate of salary increase	10.00%	10.00%	10.00%	10.00%	10.00%
Withdrawal Rate				24.00%	16.00%
(i) below 35 years	35.00%	35.00%	35.00%	-	-
(ii) above 35 years	20.00%	20.00%	20.00%	-	-
Mortality					
Pre Retirement Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Post Retirement Mortality Rate	NA	NA	LIC Ann (1996-98)	LIC Ann (1996-98)	LIC Ann (1996-98)

1. The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.

2. The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.
3. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversed.

Risks associated with plan provisions

Investment risk:
The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Interest risk:
A decrease in the yield of Indian government securities will increase the plan liability.

Longevity risk:
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:
The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

35 Employee benefits (continued)
35.4 Defined benefit plans (continued)

Risks associated with plan provisions (continued)

Sensitivity analysis:
The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Discount rate					
- Increase by 50 bps	(5.48)	(4.05)	(5.13)	(3.20)	(4.06)
- Decrease by 50 bps	5.87	4.42	5.55	3.40	4.33
(b) Salary growth rate					
- Increase by 50 bps	5.64	4.24	5.34	3.19	4.13
- Decrease by 50 bps	(5.38)	(3.97)	(5.05)	(3.09)	(3.93)
(c) Withdrawal rate					
- Increase by 50 bps	(1.63)	(1.23)	(1.48)	(2.87)	(2.31)
- Decrease by 50 bps	1.72	1.30	1.56	3.06	2.45
(d) Mortality rate					
- Increase in Expected life time by one year	0.03	0.02	0.03	(0.00)	(0.01)
- Increase in Expected life time by three years	0.07	0.06	0.06	0.00	0.01

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. The sensitivity analysis presented above 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.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(g) Effect of plan on entity's future cash flows
(i) The Company expects to make a contribution of Rs. 80 Millions during FY 2023-24.

(ii) The weighted average duration of the benefit obligation at three months period ended June 30, 2023 is 3 years (at June 30, 2022 is 3 years ,at March 31, 2023 is 2 years, at March 31, 2022 is 6.233 years and at March 31, 2021 is 10.523 years.,

(iii) Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Within 1 year	80.00	80.00	55.00	19.99	10.30
1 to 5 years	N/A	N/A	N/A	83.39	53.69
More than 5 years	N/A	N/A	N/A	60.34	58.86

Experience Adjustments

Experience Adjustments	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	259.86	201.77	245.55	142.47	121.58
Fair value of plan assets	180.06	121.46	187.40	77.79	89.91
Surplus/(deficit)	(79.80)	(80.31)	(58.15)	(64.68)	(31.67)
Experience adjustment on plan liabilities [(Gain)/Loss]	(7.57)	(37.54)	(46.38)	33.36	(17.06)
Experience adjustment on plan assets [Gain/(Loss)]	1.12	36.40	41.41	(17.78)	(1.36)

36 Related party transactions

36.1 Names of related parties and nature of relationship

Nature of relationship	Name of the party
Key Management Personnel (KMP) of the company	Mr. BN Raveendra Babu - Managing Director
	Mr. V P Nandakumar - Chairman
	Mr. A Ramanathan - Independent Director
	Mr. Yogesh Ratnakar Udhoji- Chief Financial Officer (upto May 16, 2022)
	Mr.Rajesh KRN Namboodiripad- Chief Financial Officer (w.e.f. May 17, 2022)
	Mr. Abhijit Sen - Independent Director
	Mr. Desh Raj Dogra - Independent Director
	Mr. Gautam Rathindranath Saigal - Non Independent Director
	Ms. Pushya Sitaraman - Independent Director
	Mr. Subrata Kumar Atindra Mitra - Independent Director
	Mr. T. Balakrishnan - Independent Director
	Mr. T.M. Manoharan - Independent Director
	Mr. Harshan Kollara - Independent Director
	Ms. Anita Belani-Independent Director (w.e.f. January 23, 2023)
	Mr. S V Raja Vaidyanathan - Non Independent Director
	Mr. Anup Kumar Gupta - Company Secretary (Upto 05 December 2020)
	Mrs. Aparna Menon - Company Secretary (From 27 October 2020)
Holding company	Manappuram Finance Limited
Entity over which KMP has significant Influence	Asirvad Development Foundation
	Adlux Medcity And Convention Centre P Ltd
	Vivrti Capital Private Limited (w.e.f. January 23, 2023)
	Infomerics valuation and Rating Private Limited
	Proficient investment and financial consultancy Private Limited
Group Entities	Manappuram Comptech and Consultants Limited
	Manappuram Health care Limited
	Manappuram Foundation
Benefitial Related Party within the Group Companies	Manappuram Insurance Brokers Ltd (w.e.f. April 01, 2023)*

Note: Related party relationships are as identified by the Management.
* The party has been identified as the related party transaction pursuant to change in the definition of related party as stated in section 2 sub-section (zc) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
A listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023

36.2

A. Transactions with the related parties

(All amounts in ₹ Millions unless otherwise stated)

Nature	Name of the party	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Remuneration to KMP	Mr. S V Raja Vaidyanathan	-	-	-	29.51	26.90
	Mr. BN Raveendra Babu	3.66	3.11	13.75	12.03	9.00
	Mr. Yogesh Ratnakar Udhoji	-	1.73	1.86	8.00	6.60
	Mr.Rajesh KRN Namboodiripad	0.80	0.76	3.07	-	-
	Mr. Anup Kumar Gupta	-	-	-	-	0.95
	Ms. Aparna Menon	0.46	0.43	1.65	1.50	0.52
Donation	Manappuram Foundation	20.08	14.41	37.99	14.99	31.55
	Asirvad Development Foundation	-	-	-	-	0.90
Issue of Rights Share (Including Securities Premium)*	Manappuram Finance Limited	1,464.42	-	2,452.97	-	-
	Mr. S V Raja Vaidyanathan	21.74	-	9.54	-	-
	Mr. V P Nandakumar	5.83	-	26.80	-	-
	Mr. A Ramanathan	0.80	-	1.07	-	-
	Mr. D.R. Dogra	4.09	-	4.98	-	-
	Mr. Gautam Saigal	1.15	-	1.92	-	-
	Mr. BN Raveendra Babu	1.41	-	2.35	-	-
Term Loan	Manappuram Finance Limited	1,200.00	-	1,300.00	-	-
Sub-debt	Manappuram Finance Limited	1,500.00	-	-	-	-
Business Associate service	Manappuram Finance Limited	-	-	-	0.18	-
Rent & other amenities	Manappuram Finance Limited	0.29	0.29	1.25	0.89	0.07
	Proficient Investment And Financial Consultancy	-	0.13	0.24	0.48	0.42
Rent receivable	Manappuram Finance Limited	0.36	-	0.24	-	-
Rating fee payable	Infomerics valuation and Rating Private Limited	1.75	-	-	-	-
Training expenses	Manappuram Finance Limited	-	-	7.45	6.90	1.72
Interest Expense	Vivrti Capital Private Limited	7.35	-	8.92	-	-
	Manappuram Finance Limited	69.05	-	76.10	-	-
Purchase of software	Manappuram Comptech and Consultants Limited	28.21	-	42.52	28.17	38.15
Software expense	Manappuram Comptech and Consultants Limited	42.90	35.01	116.71	112.70	73.21
Staff welfare expenses	Adlux Medcity And Convention Centre P Ltd	-	-	-	0.16	-
Staff welfare expenses	Manappuram Health care Limited	-	-	-	0.05	-
Staff welfare expenses	Manappuram Foundation	-	-	-	0.00	-
Sitting fees	Mr. A Ramanathan	0.12	0.10	0.50	0.61	0.53
	Mr. Abhijit Sen	0.16	0.14	0.58	0.60	0.35
	Mr. D.R. Dogra	0.12	0.14	0.55	0.59	0.37
	Mr. Gautam Saigal	0.16	0.14	0.54	0.63	0.40
	Ms. Pushya Sitaraman	0.09	0.09	0.39	0.42	0.36
	Mr. Subrata Kumar Atindra Mitra	0.08	0.08	0.29	0.36	0.27
	Mr. T. Balakrishnan	0.14	0.10	0.53	0.58	0.35
	Mr. T.M. Manoharan	-	0.08	0.12	0.34	0.24
	Mr. Harshan Kollara	0.13	0.09	0.43	0.32	-
	Ms.Anita Belani	0.07	-	0.06	-	-
	Mr. S V Raja Vaidyanathan	0.20	0.15	0.73	0.61	-
Commission	Mr. A Ramanathan	0.19	-	1.11	1.00	1.00
	Mr. D.R. Dogra	0.26	-	1.54	1.50	1.00
	Mr. Subrata Kumar Atindra Mitra	0.27	-	1.63	1.60	1.00
	Mr. Abhijit Sen	0.18	-	1.12	1.00	1.00
	Mr. Gautam Saigal	0.23	-	1.37	1.30	1.00
	Ms. Pushya Sitaraman	0.23	-	1.37	1.30	1.00
	Mr. T. Balakrishnan	0.23	-	1.37	1.30	1.00
	Mr. T.M. Manoharan	-	-	-	1.00	1.00
	Mr.Harshan Kollara	0.18	-	1.12	1.00	-
	Ms.Anita Belani	0.03	-	0.25	-	-
	Mr. S V Raja Vaidyanathan	0.19	-	1.11	1.00	15.00
	Mr BN Raveendra Babu	-	-	6.00	6.00	6.00

*The Shareholders approved the Right issue of 93,28,358 Equity Shares of Rs. 10 each fully paid up at Rs. 268.00 per share at the meeting held on September 29, 2022 and approved the Right issue of 41,20,879 Equity Shares of Rs. 10 each fully paid up at Rs. 364 per share at the meeting held on June 30, 2023.

B. Transactions of the beneficial related party *(All amounts in ₹ Millions unless otherwise stated)*

Nature	Name of the party	Three months period ended June 30, 2023
Insurance Commission on insurance premium paid by Asirvad Micro Finance Limited	Manappuram Insurance Brokers Ltd	2.15

36.3

Balance as at year end *(All amounts in ₹ Millions unless otherwise stated)*

Nature	Name of the party	As at June 30, 2023	As at June 30, 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Rent payable	Manappuram Finance Limited	0.11	-	-	-	-
	Proficient Investment And Financial Consultancy	-	0.04	-	0.09	0.04
Interest on loan payable	Manappuram Finance Limited	21.27	-	-	-	-
Rent receivable	Manappuram Finance Limited	0.60	-	0.24	-	-
Referral fee receivable	Manappuram Finance Limited	-	-	-	0.18	-
Staff welfare expenses payable	Manappuram Health Care Limited	-	-	-	0.00	-
Interest Generated from CSR fund	Manappuram Foundation	-	-	-	0.16	-
Software expense payable	Manappuram Comptech and Consultants Limited	2.01	3.04	3.35	13.62	9.59
Performance incentive payable	Mr. S V Raja Vaidyanathan	-	-	-	-	15.00
	Mr. BN Raveendra Babu	-	-	6.00	6.00	6.00
Commission payable	Mr. A Ramanathan	-	-	1.11	1.00	1.00
	Mr. D.R. Dogra	-	-	1.54	1.50	1.00
	Mr. Subrata Kumar Atindra Mitra	-	-	1.63	1.60	1.00
	Mr. Abhijit Sen	-	-	1.12	1.00	1.00
	Mr. Gautam Saigal	-	-	1.37	1.30	1.00
	Ms. Pushya Sitaraman	-	-	1.37	1.30	1.00
	Mr. T. Balakrishnan	-	-	1.37	1.30	1.00
	Mr. T.M. Manoharan	-	-	-	1.00	1.00
	Mr.Harshan Kollara	-	-	1.12	1.00	-
	Anita Belani	-	-	0.25	-	-
	Mr. S V Raja Vaidyanathan	-	-	1.11	1.00	-

Note:

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties.

(b) The Related Parties have confirmed to the Management that as at year ended March 31, 2021 ; March 31, 2022 ; March 31, 2023 and three months ended June 30, 2022 and June 30, 2023 there are no further amounts payable to / receivable from them, other than as disclosed above.

(c) The above compensation to key management personnel includes value of pequisites and excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary

(d) The transactions during the period are Inclusive of GST.

36.4

Disclosures of Transactions Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015:

Particulars	As at three months period ended June 30, 2023		As at three months period ended June 30, 2022	
	Amount Outstanding	Maximum Amount Outstanding during the period	Amount Outstanding	Maximum Amount Outstanding during the period
Loans and advances in the nature of loans				
From Holding Company	1,500	4,000	-	-
To Fellow Subsidiaries	-	-	-	-
To Associates	-	-	-	-
Where there is	-	-	-	-
No Repayment Schedule	-	-	-	-
Repayment Schedule beyond 7 years	-	-	-	-
No Interest	-	-	-	-
Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-
To Firms / Companies in which directors are interested (Other the (a) and (b) above)	-	-	-	-
Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-

Particulars	As at year ended March 31, 2023		As at year ended March 31, 2022		As at year ended March 31, 2021	
	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
Loans and advances in the nature of loans						
From Holding Company	1,300	1,300	-	-	-	-
To Fellow Subsidiaries	-	-	-	-	-	-
To Associates	-	-	-	-	-	-
Where there is	-	-	-	-	-	-
No Repayment Schedule	-	-	-	-	-	-
Repayment Schedule beyond 7 years	-	-	-	-	-	-
No Interest	-	-	-	-	-	-
Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-	-	-
To Firms / Companies in which directors are interested (Other the (a) and (b) above)	-	-	-	-	-	-
Investments by the Loanee in the Shares of Parent Company and	-	-	-	-	-	-

(All amounts in ₹ Millions unless otherwise stated)

36.5 Disclosure Pursuant to Reserve Bank of India Notification DOR.ACC.REC.No.20/21.04.018/2022-23 dt. April 19, 2022

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	**June-23**	**June-22**	**June-23**	**June-22**	**June-23**	**June-22**	**June-23**	**June-22**	**June-23**	**June-22**	**June-23**	**June-22**	**June-23**	**June-22**
Borrowings	1,500.00	-	-	-	-	-	-	-	-	-	-	-	1,500.00	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Finance Limited	69.05	-	-	-	-	-	-	-	-	-	-	-	69.05	-
Vivrti Capital Private Limited	-	-	-	-	-	-	-	-	-	-	7.35	-	7.35	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation (Manappuram Foundation)	-	-	-	-	-	-	-	-	-	-	20.08	14.41	20.08	14.41
Purchase of software (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	-	-	28.21	-	28.21	-
Software expense (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	-	-	42.90	35.01	42.90	35.01

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	**Mar 2023**	**Mar 2022**	**Mar 2023**	**Mar 2022**	**Mar 2023**	**Mar 2022**	**Mar 2023**	**Mar 2022**	**Mar 2023**	**Mar 2022**	**Mar 2023**	**Mar 2022**	**Mar 2023**	**Mar 2022**
Borrowings	1,300.00	-	-	-	-	-	-	-	-	-	-	-	1,300.00	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Finance Limited	76.10	-	-	-	-	-	-	-	-	-	-	-	76.10	-
Vivrti Capital Private Limited	-	-	-	-	-	-	-	-	-	-	8.92	-	8.92	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation (Manappuram Foundation)	-	-	-	-	-	-	-	-	-	-	37.99	14.99	37.99	14.99
Purchase of software (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	-	-	42.52	28.17	42.52	28.17
Software expense (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	-	-	-	-	-	116.71	112.70	116.71	112.70

Related Party Items	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management	Others	Total
	Mar 2021	Mar 2021	Mar 2021	Mar 2021	Mar 2021	Mar 2021	Mar 2021
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-
Manappuram Finance Limited	-	-	-	-	-	-	-
Vivrti Capital Private Limited	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Donation (Manappuram Foundation)	-	-	-	-	-	31.55	31.55
Purchase of software (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	38.15	38.15
Software expense (Manappuram Comptech and Consultants Limited)	-	-	-	-	-	73.21	73.21

37 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share capital and other equity. Debt includes term loans from banks, NBFC and debentures net of cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing ratio :

	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Borrowings	79,410.95	51,993.70	84,260.95	55,587.61	46,741.68
Cash and bank balance	(7,134.29)	(3,656.55)	(5,499.21)	(7,925.13)	(6,954.68)
Net debt (A)	**72,276.66**	**48,337.15**	**78,761.74**	**47,662.48**	**39,787.00**
Equity share capital	667.61	533.12	626.40	533.12	533.12
Other equity	17,381.62	10,078.39	14,813.68	10,175.37	10,024.51
Total equity (B)	**18,049.23**	**10,611.51**	**15,440.08**	**10,708.49**	**10,557.63**
Net debt to equity ratio (A/B)	**4.00**	**4.56**	**5.10**	**4.45**	**3.77**

38 Categories of financial instruments

The carrying value and fair value of the financial instruments by categories are as follows:

Particulars	Carrying Value			Fair Value		
	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023
(a) Financial assets						
Measured at amortised cost						
- Loans	82,790.23	54,482.20	86,688.96	82,790.23	54,482.20	86,688.96
- Cash and cash equivalents	7,134.29	3,656.55	5,499.21	7,134.29	3,656.55	5,499.21
- Bank balance other than above	2,936.98	1,827.34	3,367.88	2,936.98	1,827.34	3,367.88
- Other financial assets	2,790.96	1,010.58	1,228.39	2,790.96	1,010.58	1,228.39
- Loan given to staff	40.64	0.31	2.01	40.64	0.31	2.01
Measured at fair value through OCI						
- Investments	2,186.39	1,004.86	1,970.64	2,186.39	1,004.86	1,970.64
Hedge accounting						
- Derivative financial instruments	213.22	38.20	262.98	213.22	38.20	262.98
Total	**98,092.71**	**62,020.03**	**99,020.07**	**98,092.71**	**62,020.03**	**99,020.07**
(b) Financial liabilities :						
Measured at amortised cost						
- Debt securities	8,820.78	11,239.41	11,584.79	8,820.78	11,239.41	11,584.79
- Borrowings (other than debt security)	65,226.39	38,080.18	68,736.05	65,226.39	38,080.18	68,736.05
- Subordinated liabilities	5,363.78	2,674.11	3,940.11	5,363.78	2,674.11	3,940.11
- Trade payables	222.16	192.12	178.70	222.16	192.12	178.70
- Derivative financial instruments	-	-	-	-	-	-
- Other financial liabilities	2,821.66	1,786.65	1,741.30	2,821.66	1,786.65	1,741.30
Hedge accounting						
- Derivative financial instruments						
Total	**82,454.77**	**53,972.47**	**86,180.95**	**82,454.77**	**53,972.47**	**86,180.95**

Particulars	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(a) Financial assets				
Measured at amortised cost				
- Loans	54,285.53	47,739.54	54,285.53	47,739.54
- Cash and cash equivalents	7,925.13	6,954.69	7,925.13	6,954.69
- Bank balance other than above	1,257.12	1,872.20	1,257.12	1,872.20
- Other financial assets	1,206.92	712.00	1,206.92	712.00
- Loan given to staff	0.51	7.50	0.51	7.50
Measured at fair value through OCI				
- Investments	1,043.65	0.90	1,043.65	0.90
Hedge accounting				
- Derivative financial instruments	13.14	-	13.14	-
Total	**65,732.00**	**57,286.83**	**65,732.00**	**57,286.83**
(b) Financial liabilities :				
Measured at amortised cost				
- Debt securities	13,854.34	12,190.54	13,854.34	12,190.54
- Borrowings (other than debt security)	38,541.23	32,403.45	38,541.23	32,403.45
- Subordinated liabilities	3,192.04	2,147.69	3,192.04	2,147.69
- Trade payables	272.45	247.06	272.45	247.06
- Derivative financial instruments	-	13.53	-	13.53
- Other financial liabilities	1,376.34	657.30	1,376.34	657.30
Hedge accounting				
- Derivative financial instruments		13.53		13.53
Total	**57,236.40**	**47,673.10**	**57,236.40**	**47,673.10**

The management assessed that fair value of loans, cash and cash equivalents, bank balances, other financial assets, borrowings, trade payables, derivative financial instrument and other financial liabilities approximate to 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.

39 Financial 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 Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

(a) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(All amounts in ₹ Millions unless otherwise stated)

(I) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. 'The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company provides for expected credit loss based on the following:

Assets covered	Nature	Basis of expected credit loss
Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans and other financial assets	Low credit risk	Life time expected credit loss
Loans	Moderate credit risk	Life time expected credit loss
Loans	High credit risk	Life time expected credit loss

Financial assets that expose the entity to credit risk

Particulars	Nature	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents (excluding cash on hand)	Low credit risk	6,833.78	3,372.20	5,179.53	7,698.27	6,932.21
Bank balance other than above	Low credit risk	2,936.98	1,827.34	3,367.88	1,257.12	1,872.20
Loans	Low credit risk	80,817.62	50,376.38	83,906.51	49,538.04	45,940.09
Loans	Moderate credit risk	669.54	2,775.55	1,650.96	4,552.00	1,805.14
Loans	High credit risk	1,343.71	1,330.58	1,133.50	196.00	1.81
Investments	Low credit risk	2,186.39	1,004.86	1,970.64	1,043.65	0.90
Other financial assets	Low credit risk	2,790.96	1,010.58	1,228.39	1,206.92	712.00

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country

Other financial assets

Other financial assets measured at amortized cost includes security deposits, receivable on assignment, advances recoverable on behalf of business correspondence arrangements, insurance claim receivables and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

1. The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India;
2. The client must possess the required KYC documents
3. The client's household must be engaged in some form of economic activity which ensures regular and assured income;
4. Client must agree to follow the rules and regulations of the organisation and
5. Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans

(II) Credit risk exposure

(i) Expected credit losses for financial assets other than loans

The Company have not made expected credit losses for financial assets other than loans and other financial assets mentioned below as the maturity is within twelve months from the balance sheet date.

Particulars	Cash and cash equivalents	Other bank balance	Loan given to staff	Investments	Other financial assets
As at June 30, 2023					
Estimated gross carrying amount	7,134.29	2,936.98	40.84	2,186.39	2,831.58
Less: Expected credit losses	-	-	0.19	-	40.62
Net carrying amount	**7,134.29**	**2,936.98**	**40.65**	**2,186.39**	**2,790.96**
As at June 30, 2022					
Estimated gross carrying amount	3,656.55	1,827.34	0.31	1,004.86	1,010.58
Less: Expected credit losses	-	-	0.00	-	-
Net carrying amount	**3,656.55**	**1,827.34**	**0.31**	**1,004.86**	**1,010.58**
As at March 31, 2023					
Estimated gross carrying amount	5,499.21	3,367.88	2.02	1,970.64	1,228.39
Less: Expected credit losses	-	-	0.01	-	1.48
Net carrying amount	**5,499.21**	**3,367.88**	**2.01**	**1,970.64**	**1,226.91**
As at March 31, 2022					
Estimated gross carrying amount	7,925.13	1,257.12	0.52	1,043.65	1,206.92
Less: Expected credit losses	-	-	0.00	-	-
Net carrying amount	**7,925.13**	**1,257.12**	**0.52**	**1,043.65**	**1,206.92**
As at March 31, 2021					
Estimated gross carrying amount	6,954.68	1,872.20	7.53	0.90	712.00
Less: Expected credit losses	-	-	0.03	-	-
Net carrying amount	**6,954.68**	**1,872.20**	**7.50**	**0.90**	**712.00**

(ii) Movement of carrying amount and expected credit loss for loans

Definition of default:
The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2020	**44,238.47**	**184.28**	**861.01**
Assets originated*	33,073.41	81.46	7.13
Net transfer between stages	-	-	-
Transfer to stage 1	0.70	(0.53)	(0.17)
Transfer to stage 2	(3,255.23)	3,255.31	(0.08)
Transfer to stage 3	(1,378.58)	(157.67)	1,536.25
Assets derecognised or collected (excluding write offs)	(25,778.63)	(10.14)	(60.84)
Write - offs (including death cases)	-	-	(1,434.62)
Gross carrying amount as at March 31, 2021	**46,900.14**	**3,352.71**	**908.68**
Assets originated*	9,424.88	3,867.90	4,131.52
Net transfer between stages	-	-	-
Transfer to stage 1	-	(311.27)	(7.37)
Transfer to stage 2	(4,855.26)	-	(4.33)
Transfer to stage 3	(1,192.37)	(446.46)	-
Assets derecognised or collected (excluding write offs)	-	-	-
Write - offs (including death cases)	-	-	(3,945.28)
Gross carrying amount as at March 31, 2022	**50,277.39**	**6,462.88**	**1,083.22**
Assets originated*	2,550.81	899.31	3,969.44
Net transfer between stages	-	-	-
Transfer to stage 1	-	(322.96)	(15.59)
Transfer to stage 2	(1,691.12)	-	(131.83)
Transfer to stage 3	(98.26)	(3,776.58)	-
Assets derecognised or collected (excluding write offs)	-	-	-
Write - offs (including death cases)	-	-	
Gross carrying amount as at June 30, 2022	**51,038.82**	**3,262.65**	**4,905.24**
Gross carrying amount as at 01 April 2022	**50,277.39**	**6,462.88**	**1,083.22**
Assets originated*	38,572.68	(75.38)	5,866.70
Net transfer between stages	-	-	-
Transfer to stage 1	-	(101.11)	(9.29)
Transfer to stage 2	(1,517.91)	-	(22.70)
Transfer to stage 3	(2,623.20)	(4,468.37)	-
Assets derecognised or collected (excluding write offs)	(2.70)	(5.88)	(3,107.78)
Write - offs (including death cases)	(0.19)	(0.10)	(1,121.80)
Gross carrying amount as at March 31, 2023	**84,706.07**	**1,812.04**	**2,688.35**
Assets originated*	(2,358.92)	367.53	1,490.33
Net transfer between stages	-	-	-
Transfer to stage 1	-	(37.84)	(4.88)
Transfer to stage 2	(620.14)	-	(3.84)
Transfer to stage 3	(170.85)	(1,410.55)	-
Assets derecognised or collected (excluding write offs)	(0.01)	(0.29)	(952.68)
Write - offs (including death cases)	-	-	(506.95)
Gross carrying amount as at June 30, 2023	**81,556.15**	**730.89**	**2,710.33**

*Assets originated during the year has been presented on net basis i.e. the collections towards fresh loans has been netted off.

(All amounts in ₹ Millions unless otherwise stated)

(iii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as at 01 April 2020	**986.01**	**3.99**	**861.01**
Increase of provision due to assets originated during the year	679.15	62.43	7.11
Net transfer between stages	-	-	-
Transfer to stage 1	0.01	(0.24)	(0.17)
Transfer to stage 2	(66.54)	1,558.49	(0.08)
Transfer to stage 3	(28.18)	(71.92)	1,533.19
Assets derecognised or collected (excluding write offs)	(610.39)	(5.18)	(59.58)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	-	-	(1,434.62)
Gross carrying amount as at March 31, 2021	**960.06**	**1,547.57**	**906.86**
Increase of provision due to assets originated during the year	(732.98)	32.03	3,914.58
Net transfer between stages	-	-	-
Transfer to stage 1	-	133.71	7.09
Transfer to stage 2	471.04	-	3.95
Transfer to stage 3	41.23	197.58	-
Assets derecognised or collected (excluding write offs)	-	-	-
Impact of ECL on exposures transferred between stages during the year	-	-	(3,945.28)
Write - offs (including death cases)	-	-	-
Gross carrying amount as at March 31, 2022	**739.35**	**1,910.89**	**887.20**
Increase of provision due to assets originated during the year	(389.67)	(4,116.67)	2,756.75
Net transfer between stages	-	-	-
Transfer to stage 1	-	(45.22)	(11.38)
Transfer to stage 2	230.09	-	(57.92)
Transfer to stage 3	82.68	2,738.10	-
Assets derecognised or collected (excluding write offs)	-	-	-
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	-	-	
Gross carrying amount as at June 30, 2022	**662.45**	**487.10**	**3,574.65**
Loss allowance as at 01 April 2022	**739.35**	**1,910.89**	**887.20**
Increase of provision due to assets originated during the year	(1,264.14)	(3,007.67)	4,074.18
Net transfer between stages	-	-	-
Transfer to stage 1	-	(14.74)	(6.95)
Transfer to stage 2	102.23	-	(15.92)
Transfer to stage 3	1,222.16	1,273.47	-
Assets derecognised or collected (excluding write offs)	(0.03)	(0.85)	(2,486.23)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	(0.00)	(0.01)	(897.44)
Gross carrying amount as at March 31, 2023	**799.57**	**161.09**	**1,554.84**
Increase of provision due to assets originated during the year	(171.79)	(648.76)	599.06
Net transfer between stages	-	-	-
Transfer to stage 1	-	(2.70)	(2.03)
Transfer to stage 2	43.12	-	(1.27)
Transfer to stage 3	67.63	551.75	-
Assets derecognised or collected (excluding write offs)	(0.00)	(0.03)	(515.03)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	-	-	(268.94)
Gross carrying amount as at June 30, 2023	**738.53**	**61.35**	**1,366.63**

(#) If the probability of default increases or decrease by 10 basis point the expected credit loss will increase or decrease by Rs. 37.02 Millions (as at June 30, 2022 Rs. 33.5 Millions, as at March 31, 2023 Rs. 40.07 Millions, as at March 31, 2022 Rs 25.44 Millions and as at March 31, 2021 Rs.39.99 Millions) respectively.

Similarly if the loss given default increases or decrease by 100 basis point the expected credit loss will increase or decrease by Rs. 32.3 Millions (as at June 30, 2022 Rs.87.5 Millions, as at March 31, 2023 Rs. 33.69 Millions, as at March 31, 2022 Rs. 9.34 Millions and as at March 31, 2021 Rs.57.74 Millions) respectively

(III) Concentration of loans (*)

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Micro finance loans	76,491.21	54,542.42	81,763.68	54,329.98	50,717.93
Micro, small and medium enterprise (MSME)	610.38	455.84	389.58	487.29	410.75
Gold loans	7,855.13	4,208.14	7,051.19	3,005.69	25.34
Total	**84,956.72**	**59,206.40**	**89,204.45**	**57,822.96**	**51,154.02**

(*) The above figures represents the gross loan value along with interest accrued

(b) Liquidity Risk Management :
Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring 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 risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Refer Note 42.19 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(c) Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because the Company lend to customers at fixed interest rates and for periods that may differ from our funding sources, while the borrowings are at both fixed and variable interest rates for different periods. The Company assess and manage the interest rate risk by managing the assets and liabilities. The Asset Liability Management Committee ensures that all significant mismatches, if any, are being managed appropraitely.

The Company has Board approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on bank and other borrowings. Below is the sensitivity of profit and loss in interest rates.

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Interest sensitivity*					
Interest rates – increase by 0.50%	227.89	109.89	234.82	111.01	83.62
Interest rates – decrease by 0.50%	(227.89)	(109.89)	(234.82)	(111.01)	(83.62)

** Holding all other variables constant*

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its External Commercial Borrowings (ECB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved Interest Rate risk, Currency risk hedging policy.

The Company for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved Interest rate risk, Currency risk hedging policy.

The Company's exposure of foreign currency risk (Euros) at the end of the reporting period expressed in ₹ are as follows:

Hedged	Impact on profit an loss account				
	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
USD Sensitivity					
INR/USD - Increase by 1%*	-	-	-	-	-
INR/USD - Decrease by 1%*	-	-	-	-	-
EURO Sensitivity					
INR/USD - Increase by 1%*	-	-	-	-	-
INR/USD - Decrease by 1%*	-	-	-	-	-

Particular	Impact on other comprehensive income				
	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
USD Sensitivity					
Hedging Instrument					
INR/USD - Increase by 1%*	12.67	13.21	13.53	12.80	-
INR/USD - Decrease by 1%*	(12.67)	(13.21)	(13.53)	(12.80)	-
Hedged Item					
INR/USD - Increase by 1%*	(11.69)	(11.84)	(12.33)	(11.37)	-
INR/USD - Decrease by 1%*	11.69	11.84	12.33	11.37	-
EURO Sensitivity					
Hedging Instrument					
INR/USD - Increase by 1%*	22.45	21.73	22.74	22.37	23.75
INR/USD - Decrease by 1%*	(22.45)	(21.73)	(22.74)	(22.37)	(23.75)
Hedged Item					
INR/USD - Increase by 1%*	(22.28)	(20.65)	(22.40)	(21.17)	(21.52)
INR/USD - Decrease by 1%*	22.28	20.65	22.40	21.17	21.52

Unhedged -
* represents the notional amount of the derivative financial instrument

Hedging policy
The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

40 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the three months ended June 30, 2023, June 30, 2022 and years ended March 31, 2023, March 31, 2022 and March 31, 2021 are furnished below:

Particulars	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-	-	-
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed	-	-	-	-	-
(d) The amount of interest due and payable for the year	-	-	-	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest	-	-	-	-	-

Note:
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

41 Contingent Liabilities and commitments

A. Contingent liabilities:	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Claims against the company not acknowledged as debt;	-	-	-	-	-
(b) Guarantees excluding financial guarantees; and	-	-	-	-	-
(c) Other money for which the company is contingently liable {refer (i) below)}	**510.08**	**462.48**	**707.97**	**462.48**	**462.48**
(i) Income Tax					
- Income Tax (A.Y. 2015-16)	112.45	112.45	112.45	112.45	112.45
- Income Tax (A.Y. 2016-17)	-	197.89	197.89	197.89	197.89
- Income Tax (A.Y. 2017-18)	152.14	152.14	152.14	152.14	152.14
- Income Tax (A.Y. 2020-21)	195.35	-	195.35	-	-
- Income Tax (A.Y. 2021-22)	50.14	-	50.14	-	-
	510.08	**462.48**	**707.97**	**462.48**	**462.48**
B. Commitments					
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:					
- Other Intangible Assets	-	-	-	16.00	38.20
(b) Uncalled liability on shares and other investments partly paid;	-	-	-	-	-
(c) Other commitments (specify nature).	-	-	-	-	-
	-	**-**	**-**	**16.00**	**38.20**

A) Income Tax

Income Tax (A.Y. 2015-16)
During the FY 2017-18, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 112.45 Millions by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 22.49 Millions being 20% of the total demand and the same has been disclosed as part of Deposit under protest.

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2016-17)
During the FY 2018-19, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 197.89 Millions by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 39.58 Millions being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

41 Commitments and contingencies (continued)

Income Tax (A.Y. 2017-18)
The accounting for securitisation transaction is governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly company has recorded securitization and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitization and assignment transactions and added the same to our total income on the ground that company had made true sale of the securitized assets by derecognizing the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of ₹ 1,42.43 Millions in this regard. Company had received advice from tax counsel to contest the above demand as the company's accounting of transactions is in line with RBI's extant guidelines. Assessing officer disallowed Demonetized currencies deposited to bank account subsequent to 8th November 2016 and added the same under Income from Other Sources as unexplained money u/s 69A of Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of ₹ 9.71 Millions in this regard. Company is advised by Tax Counsel to contest this demand on the ground that there is no specific provision in the Income Tax Act to tax the amounts received as demonetized currencies.

The company had filed appeals against both the above demands with the Commissioner of Income Tax-Appeals. Based on professional advice, the company strongly believes that the case will be decided in their favour and hence no provision has been considered. However, in the FY 2019-20, the company had paid an amount of ₹ 30.43 Millions, being 20% of the above total demands and the same has been disclosed as part of Deposit under Protest. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2020-21)
During the FY 2022-23, the Company has received an Assessment order under Section 143(3) for the AY 2020-21 with demand of Rs. 213.44 Millions by disallowing expenses and ICDS adjustment aggregating to the tune of Rs. 841.32 Millions under section 41, 43B, 36(1)(va) and 36(1)(viia) w.r.t Gratuity, leave encashment, bonus, delay in remittance of employee contribution to PF, ESI and ICDS Adjustments.

The Company has filed appeal against the demand with the Commissioner of Income Tax - Appeals. Based on the professional advice, the company strongly believe that majority of the disallowance will be decided in their favour and hence no provision has been considered except in case of bonus and ICDS Adjustments for which provision of ` 180.90 Millions is considered in the books of accounts.

Income Tax (A.Y. 2021-22)
During the FY 2022-23, the Company has received an Assessment order under Section 143(1) for the AY 2021-22 with demand of Rs. 55.74 Millions by disallowing expenses and recovery of bad and doubtful debts aggregating to the tune of Rs. 1,56.06 Millions under section 43B, 36(1)(va) and 41 w.r.t Gratuity, leave encashment, bonus, delay in remittance of employee contribution to PF, ESI and recovery of bad and doubtful debts etc.

The Company has filed appeal against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that majority of the disallowance and deemed income will be decided in their favour and hence no provision has been considered except for disallowance w.r.t bonus and gratuity u/s 43B for which provision amounting Rs 5.60 Millions is considered in the books of accounts.

42 Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. 10 November 2014

42.1 Details of registration with financial regulators

Regulator	Registration No.
Ministry of Company Affairs	CIN:U65923TN2007PLC064550
Reserve Bank of India	N-07-00769 dated 4 October 2013

42.2 Disclosure of penalties imposed by RBI and other regulators

There are no penalty imposed by Reserve Bank of India and other regulators for the year ended March 31 , 2023, March 31 , 2022 and March 31, 2021 and three months period ended June 30, 2023 and June 30, 2022, except for the folloiwng:

For the Year Ended 31 March, 2023

Regulator	Reason	Amount
SEBI	Fine for ISIN- INE516Q07309 under Regulation 60(2)	0.01
SEBI	Fine for ISIN- INE516Q08364 under Regulation 57(1)	0.00

42.3 Related party transactions
Details of all material related party transactions are disclosed in Note 36.

42.4 Remuneration of directors (other than Managing Director)
Details of commission payable to directors (other than managing director) are disclosed in Note 36.

42.5 Concentration of advances, exposures and NPA's
The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from ₹ 10,000 to ₹ 80,000 to women engaged in various income generating activities. As at June 30, 2023, the Company has provided loans to more than 3.39 million women (at June 30 2022 more than 2.55 million women, at March 31, 2023 more than 2.90 million women, at March 31, 2022 more than 2.54 million women and at March 31, 2021 more than 2.41 million women) and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

42.6 Ratings assigned by credit rating agencies

Particulars	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Commercial paper	Crisil A1+	Crisil A1+	Crisil A1+	A1+ (CRISIL)	A1+ (CRISIL)
Long Term Bank Facilities	Crisil AA-/Stable	CRISIL AA-/Stable	Crisil AA-/Stable	CRISIL AA-/Stable	AA-/Stable (CRISIL)
Long term Non-Convertible Debentures	Crisil AA-/Stable	CRISIL AA-/Stable	Crisil AA-/Stable	CRISIL AA-/Stable BWR AA-/STABLE CARE A+; STABLE	AA-/Stable (CRISIL) AA-/stable (Bric Works) A+/Stable(CARE)
MFI Grading	CARE MFI-1	CARE MFI-1	CARE MFI-1	CARE MFI-1	MFI 1(CARE)
Subordinated Debt	Crisil AA-/Stable	CRISIL AA-/STABLE	Crisil AA-/Stable	CRISIL AA-/STABLE	AA-/Stable (CRISIL)
COCA report	M1C1-SMERA	C1- SMERA	M1C1-SMERA	C1- SMERA	C1- SMERA
Market Linked Debentures	Crisil PPMLD AA-/Stable	CRISIL PP MLD AA-/Stable	Crisil PPMLD AA-/Stable	CRISIL PP-MLD AA-r/Stable	AA-r /Stable (CRISIL)

42.7 Sector-wise NPAs:

	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Agriculture & allied activities	2.53%	5.21%	2.34%	0.88%	2.04%
MSME	4.16%	6.10%	3.73%	10.38%	3.54%
Corporate borrowers	NA	NA	NA	NA	NA
Services	5.84%	12.83%	7.33%	5.56%	2.87%
Unsecured personal loans	16.69%	31.50%	23.15%	9.94%	2.98%
Auto loans (commercial vehicles)	NA	NA	NA	NA	NA
Other loans	1.86%	2.50%	2.81%	3.42%	0.00%

(All amounts in ₹ Millions unless otherwise stated)

42.8 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Provision for income tax (excluding deferred tax)	258.81	270.32	631.83	195.61	661.89
Provision towards standard assets	(120.15)	2,687.45	(1,688.17)	142.60	1,517.62
Provision towards non performing assets	1,080.74	(1,500.69)	4,425.02	3,925.62	1,480.47
Provision and contingencies on gratuity	15.19	14.85	69.36	64.05	27.27
Provision towards compensated absences	23.59	(79.10)	(15.17)	(26.02)	32.47
Provision for insurance claim receivable	70.29	14.94	(17.62)	33.95	30.17
	1,328.47	**1,407.77**	**3,405.25**	**4,335.81**	**3,749.89**

42.9 Movement of NPAs

	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Net NPAs to net advances (%)	1.29%	1.91%	1.15%	0.30%	0.004%
Movement of NPAs (Gross)					
(a) Opening balance	2,519.07	960.80	960.80	908.68	861.01
(b) Additions during the year	1,791.01	4,285.72	6,631.51	3,997.40	1,482.28
(c) Reductions during the year	(1,841.21)	(716.74)	(5,073.24)	(3,945.28)	(1,434.61)
(d) Closing balance	**2,468.87**	**4,529.78**	**2,519.07**	**960.80**	**908.68**
Movement of Net NPAs					
(a) Opening balance	1,011.13	171.12	171.12	1.82	-
(b) Additions during the year	710.27	5,786.41	2,206.49	169.30	1.82
(c) Reductions during the year	(635.79)	(4,904.88)	(1,366.48)	-	-
(d) Closing balance	**1,085.62**	**1,052.65**	**1,011.13**	**171.12**	**1.82**
Movement of provisions for receivables under financing activities					
(a) Opening balance	1,507.94	789.68	789.68	906.86	861.01
(b) Provisions made during the year	1,080.74	(1,500.69)	4,425.02	3,828.10	1,480.46
(c) Write-off / write-back of excess provisions	(1,205.42)	4,188.14	(3,706.76)	(3,945.28)	(1,434.61)
(d) Closing balance	**1,383.25**	**3,477.13**	**1,507.94**	**789.68**	**906.86**

42.10 Overseas assets (for those with Joint ventures and Subsidiaries abroad)

The Company did not have any overseas assets during the current and previous year.

42.11 Off-balance sheet SPVs sponsored

The Company did not sponsor any SPVs during the current and previous year.

42.12 During the year there are no instances of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeding the sanctioned limit or outstanding or entire outstanding whichever is higher.

During the year company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

42.13 Investments

	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Value of Investments					
(i) Gross Value of Investments					
(a) In India	2,186.39	1,004.86	1,970.64	1,043.65	0.90
(b) Outside India,	-				-
(ii) Provisions for Depreciation					
(a) In India	-	-	-	-	-
(b) Outside India,	-	-	-	-	-
(iii) Net Value of Investments					
(a) In India	2,186.39	1,004.86	1,970.64	1,043.65	0.90
(b) Outside India.	-				-
Movement of provisions held towards depreciation on investments	-	-	-	-	-
(i) Opening balance	-	-	-	-	-
(ii) Add : Provisions made during the year	-	-	-	-	-
(iii) Less : Write-off / write-back of excess	-	-	-	-	-
(iv) Closing balance	-	-	-	-	-

42.14 Derivatives:

	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Cross Currency Interest Rate Swap					
The notional principal of swap agreements	3,397.26	3,248.63	3,473.46	3,253.61	2,152.48
(Gains)/losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	213.22	38.20	262.98	13.14	(13.53)
Collateral required by the NBFC upon entering into swaps	-				-
Concentration of credit risk arising from the swaps	-				-
The fair value of the swap book	213.22	38.20	262.98	13.14	(13.53)

Quantitative disclosures

Particulars	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Derivatives (notional principal amount)					
For hedging	3,397.26	3,248.63	3,473.46	3,253.61	2,152.48
Marked to market positions					
a) Asset (+)	213.22	38.20	262.98	13.14	
b) Liabilty (-)			-	-	13.53
Credit exposure			-	-	
Unhedged exposure			-	-	

Qualitative disclosure

During the year ended March 31, 2023 , March 31 2022 and March 31 2021 and three months period ended June 30, 2023 and June 30, 2022 the Company has an existing derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedge relationship. During the year ended March 31, 2023 ,March 31, 2022 and March 31, 2021 and three months period ended June 30, 23 and June 30, 22 the Company has designated derivatives as cash flow hedges of a recognised liability and has no fair value hedges. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk Management objective and strategy for undertaking the hedge. The documentation includes the Company's risk Management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2023 , March 31 2022 and March 31 2021 and three months period ended June 30, 23 and June 30, 22 hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

42.15 Capital Adequacy Ratio

Particulars	As at June 30, 2023			As at June 30, 2022		
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
(a) Capital to risk-weighted assets ratio (CRAR)	21,877.72	94,641.18	23.12%	11,332.39	58,828.91	19.26%
(b) Tier I CRAR	16,887.31	94,641.18	17.84%	9,059.46	58,828.91	15.40%
(c) Tier II CRAR	4,990.41	94,641.18	5.27%	2,272.93	58,828.91	3.86%
(d) Liquidity Coverage Ratio	8,655.69	3,084.21	280.64%	4,672.37	1,550.20	301.40%

Particulars	As at March 31, 2023			As at March 31, 2022		
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
(a) Capital to risk-weighted assets ratio (CRAR)	18,084.60	90,305.04	20.03%	12,063.25	59,606.87	20.24%
(b) Tier I CRAR	14,069.89	90,305.04	15.58%	9,439.38	59,606.87	15.84%
(c) Tier II CRAR	4,014.71	90,305.04	4.45%	2,623.87	59,606.87	4.40%
(d) Liquidity Coverage Ratio	6,544.10	2,841.45	230.31%	9,000.66	940.78	956.72%

Particulars	As at March 31, 2021		
	Numerator	Denominator	Ratio
(a) Capital to risk-weighted assets ratio (CRAR)	11,195.40	48,831.11	22.93%
(b) Tier I CRAR	9,396.23	48,831.11	19.24%
(c) Tier II CRAR	1,799.17	48,831.11	3.68%
(d) Liquidity Coverage Ratio	6,954.69	1,168.29	595.29%

42.16 Details of financing of parent company products
The Company does not finance any parent company's products and accordingly disclosures is not required.

42.17 Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC
There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

42.18 Unsecured Advances
Refer note 7(a)

42 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)-2008 dated 1 August 2008 (continued)

42.19 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at June 30, 2023:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	327.6	840.40	1,590.10	3,204.40	3,864.00	8,570.10	15,140.20	25,140.40	1,049.03	-	59,726.23
Market Borrowings	-	488.00	-	-	65.00	146.67	2,712.00	5,771.67	1,050.00	3,250.00	13,483.34
Securitisation	-	132.09	1,780.30	1,885.31	2,057.74	5,191.00	8,684.57	3,734.56	-	-	23,465.57
Total	**327.60**	**1,460.49**	**3,370.40**	**5,089.71**	**5,986.74**	**13,907.77**	**26,536.77**	**34,646.63**	**2,099.03**	**3,250.00**	**96,675.14**
Assets											
Advances	1,399.31	1,399.31	3,198.43	6,707.69	6,255.28	17,055.74	43,895.91	30,345.34	36.56	2.53	1,10,296.10
Investments	-	-	-	-	-	-	-	-	-	2,186.39	2,186.39
Total	**1,399.31**	**1,399.31**	**3,198.43**	**6,707.69**	**6,255.28**	**17,055.74**	**43,895.91**	**30,345.34**	**36.56**	**2,188.92**	**1,12,482.49**

(b) Maturity Pattern of certain items of Assets and Liabilities as at June 30, 2022:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	79.83	364.09	1,719.47	1,571.37	3,324.11	5,355.21	7,767.57	16,060.00	1,124.60	444.62	37,810.87
Market Borrowings	83.33	-	500.00	93.75	65.00	393.75	3,714.75	7,038.67	1,550.00	500.00	13,939.25
Securitisation	-	473.50	1,226.20	1,314.47	1,147.82	3,935.36	448.64	4,060.61	-	-	12,606.60
Total	**163.16**	**837.59**	**3,445.67**	**2,979.59**	**4,536.93**	**9,684.32**	**11,930.96**	**27,159.28**	**2,674.60**	**944.62**	**64,356.72**
Assets											
Advances	976.27	976.27	2,231.48	4,876.11	5,751.93	13,446.79	25,302.76	19,526.24	85.20	1.40	73,174.45
Investments	-	-	-	-	-	-	-	-	-	1,004.87	1,004.87
Total	**976.27**	**976.27**	**2,231.48**	**4,876.11**	**5,751.93**	**13,446.79**	**25,302.76**	**19,526.24**	**85.20**	**1,006.27**	**74,179.32**

(c) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2023:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	327.37	854.21	1,092.80	2,069.33	5,255.16	11,061.52	14,533.09	26,885.57	1,244.60	-	63,323.65
Market Borrowings	-	384.00	833.33	450.00	1,656.00	65.00	1,558.67	6,071.67	2,050.00	1,750.00	14,818.67
Securitisation	-	617.07	922.00	1,398.48	2,511.78	2,569.70	1,385.29	5,991.37	-	-	15,395.69
Total	**327.37**	**1,855.28**	**2,848.13**	**3,917.81**	**9,422.94**	**13,696.22**	**17,477.05**	**38,948.61**	**3,294.60**	**1,750.00**	**93,538.01**
Assets											
Advances	1,132.74	1,132.74	2,589.11	5,936.11	6,372.52	19,644.91	30,598.63	30,544.67	38.03	1.50	97,990.96
Investments	-	-	-	-	-	-	-	-	-	1,970.63	1,970.63
Total	**1,132.74**	**1,132.74**	**2,589.11**	**5,936.11**	**6,372.52**	**19,644.91**	**30,598.63**	**30,544.67**	**38.03**	**1,972.13**	**99,961.59**

(d) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2022:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	68.00	486.82	1,298.63	1,734.94	4,144.12	4,677.34	8,755.52	15,484.34	1,823.67	444.60	38,917.98
Market Borrowings	-	-	-	468.75	3,133.33	158.75	1,980.50	8,882.67	1,000.00	1,050.00	16,674.00
Securitisation	-	-	-	-	-	-	-	-	-	-	-
Total	**68.00**	**486.82**	**1,298.63**	**2,203.69**	**7,277.45**	**4,836.09**	**10,736.02**	**24,367.01**	**2,823.67**	**1,494.60**	**55,591.98**
Assets											
Advances (Micro Finance Loans)	876.17	876.17	2,581.29	3,372.46	2,607.90	9,727.01	15,854.74	18,406.49	59.00	0.22	54,361.45
Investments	-	-	-	-	-	-	-	-	-	1,058.18	1,058.18
Total	**876.17**	**876.17**	**2,581.29**	**3,372.46**	**2,607.90**	**9,727.01**	**15,854.74**	**18,406.49**	**59.00**	**1,058.40**	**55,419.63**

(e) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2021:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	124.23	237.10	1,406.32	1,280.07	1,213.31	4,517.21	8,384.54	13,000.64	992.22	40.00	31,195.65
Market Borrowings	41.67	-	-	565.42	41.67	692.08	2,785.83	7,345.00	1,575.00	1,000.00	14,046.67
Securitisation	-	42.93	264.49	154.71	114.38	108.07	-	-	-	-	684.59
Total	**165.90**	**280.03**	**1,670.81**	**2,000.20**	**1,369.36**	**5,317.36**	**11,170.37**	**20,345.64**	**2,567.22**	**1,040.00**	**45,926.91**
Assets											
Advances (Micro Finance Loans)	594.49	1,448.80	1,474.99	2,614.46	2,791.72	8,239.39	14,371.74	19,330.50	273.84	-	51,139.93
Investments	-	-	-	-	-	-	-	-	-	0.90	0.90
Total	**594.49**	**1,448.80**	**1,474.99**	**2,614.46**	**2,791.72**	**8,239.39**	**14,371.74**	**19,330.50**	**273.84**	**0.90**	**51,140.83**

43 Additional disclosure pursuant to paragraph 53 of Resolution Framework for COVID-19-related Stress- RBI/2020-21/16- DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 read with Resolution framework 2.0 - RBI/2021-22/31 DOR.STR.RCEC.11/21.04.048/2021-22 dated May 05, 2021

For the three months ended June 30, 2023

Serial Number	Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the year on 31st March 2023 (A)	Of (A),aggregate debt that slipped into NPA during the quarter	Of (A), amount written off during the quarter	Of (A), amount paid by borrowers	Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at the end of this quarter
1	MSME loans	14.60	1.12	-	1.40	13.20
2	Others	1,597.34	0.81	1,359.59	1,554.70	42.63
	Total	**1,611.94**	**1.93**	**1,359.59**	**1,556.10**	**55.83**

For the three months ended June 30, 2022

Serial Number	Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of year on 31st March 2022 (A)	Of (A),aggregate debt that slipped into NPA during the quarter	Of (A), amount written off during the quarter	Of (A), amount paid by borrowers during	Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at the end of this quarter
1	MSME loans	19.77	2.43	-	2.40	17.37
2	Others	5,988.09	3,439.02	-	453.07	5,535.01
	Total	**6,007.86**	**3,441.45**	**-**	**455.47**	**5,552.38**

For the year ended March 31, 2023

Serial Number	Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of previous half year i.e. Spetember 30, 2022 (A)	Of (A),aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half year	Of (A), amount paid by borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at the end of this year.
1	MSME loans	16.28	8.08	-	1.68	14.60
2	Others	4,835.13	3,820.54	864.29	830.46	1,597.34
	Total	**4,851.41**	**3,828.62**	**864.29**	**832.14**	**1,611.94**

For the year ended March 31, 2022

Serial Number	Type of borrower	(A) Number 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	(E) Increase in provisions on account of the implementation of the resolution plan
1	MSME loans	-	-	-	-
2	Others	1,02,016.40	13,173.90	-	297.07
	Total	**1,02,016.40**	**13,173.90**	**-**	**297.07**

For the year ended March 31, 2021

Serial Number	Type of borrower	(A) Number 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	(E) Increase in provisions on account of the implementation of the resolution plan
1	MSME loans	-	-	-	-
2	Others	14,972.00	2,112.39	-	965.95
	Total	**14,972.00**	**2,112.39**	**-**	**965.95**

(All amounts in ₹ Millions unless otherwise stated)

44 Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019:

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

Particulars	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
As at June 30, 2023	33	69,814.89	Not Applicable	84.34%
As at June 30, 2022	29	44,199.34	Not Applicable	81.57%
As at March 31, 2023	31	71,570.74	Not Applicable	82.76%
As at March 31, 2022	30	48,564.59	Not Applicable	84.42%
As at March 31, 2021	31	41,567.85	Not Applicable	86.71%

Notes:
A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 1% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in Millions and % of total deposits) - Not applicable

(iii) Top 10 borrowings

Particulars	As at June 30, 2023		As at June 30, 2022		As at March 31, 2023	
	Amount	% of Total borrowings	Amount	% of Total borrowings	Amount	% of Total borrowings
Top 10 borrowings	26,169.75	31.62%	16,754.77	30.92%	27,632.65	31.95%

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Top 10 borrowings	16,949.00	29.46%	14,841.70	30.96%

(iv) Funding concentration based on significant instrument / product

Name of the instrument/product	As at June 30, 2023		As at June 30, 2022		As at March 31, 2023	
	Amount	% of total liabilities	Amount	% of total liabilities	Amount	% of total liabilities
Borrowings (other than debt securities)	65,226.39	78.80%	38,080.18	70.28%	68,736.06	79.49%
Debt securities	8,820.78	10.66%	11,239.41	20.74%	11,584.80	13.40%
Subordinated liabilities	5,363.78	6.48%	2,674.11	4.94%	3,940.11	4.56%

Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Borrowings (other than debt securities)	38,541.23	67.00%	32,403.45	67.59%
Debt securities	13,854.34	24.08%	12,190.55	25.43%
Subordinated liabilities	3,192.04	5.55%	2,147.69	4.48%

Notes:
A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(v) Stock Ratio

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Commercial papers as a % of total liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%	0.00%	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%	0.00%	0.00%	0.00%	0.00%
Other short-term liabilities as a % of total liabilities	3.88%	3.89%	2.44%	3.11%	2.16%
Other short-term liabilities as a % of total assets	3.19%	3.25%	2.07%	2.62%	1.77%

(vi) Institutional set-up for Liquidity Risk Management
The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/ approval/ ratification.

(All amounts in ₹ Millions unless otherwise stated)

45 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016):

S.No	Particulars	As at June 30, 2023		As at June 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities:										
1	***Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:***										
(a)	Debentures										
	- Secured	7,992.34	-	5,714.41	-	10,707.55	-	8,329.34	-	9,106.57	-
	- Unsecured	6,192.23	-	8,199.11	-	4,817.34	-	8,717.04	-	5,231.66	-
	(other than falling within the meaning of public deposits)										
(b)	Deferred credits		-	-	-	-	-	-	-	-	-
(c)	Term loans										
	- Secured	59,927.97	-	37,720.18	-	62,870.16	-	38,181.23	-	31,214.98	-
	- Unsecured	259.18	-	360.00	-	1,578.99	-	360.00	-	503.88	-
(d)	Inter-corporate loans and borrowings		-	-	-	-	-	-	-	-	-
(e)	Commercial paper	0	-	-	-	-	-	-	-	-	-
(f)	Finance lease obligations		-	-	-	-	-	-	-	-	-
(g)	Associated liabilities in respect of securitization transactions		-	-	-	-	-	-	-	-	-
(h)	Cash credits		-	-	-	-	-	-	-	-	-

S.No	Particulars	Amount Outstanding				
		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	<u>Assets:</u>					
2	***Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :***					
(a)	Secured	8,440.64	4,656.98	7,426.23	3,486.32	427.49
(b)	Unsecured	76,516.09	54,549.41	81,778.22	54,336.65	50,726.54
3	***Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities***					
(i)	Lease assets including lease rentals accrued and due:					
	(a) Financial lease	-	-	-	-	-
	(b) Operating lease	-	-	-	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:					
	(a) Assets on hire	-	-	-	-	-
	(b) Repossessed assets	-	-	-	-	-
(iii)	Other loans counting towards AFC activities					
	(a) Loans where assets have been repossessed	-	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-	-

(All amounts in ₹ Millions unless otherwise stated)

45 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016) (continued)

S.No	Particulars	Amount Outstanding				
		As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2023	As at March 31, 2021
4	***Break-up of Investments***					
	Current Investments					
I	**Quoted:**					
(i)	Shares:	-	-	-	-	-
	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
(ii)	Debentures and bonds	-	-	-	-	-
(iii)	Units of mutual funds	-	-	-	-	-
(iv)	Government securities	-	-	-	-	-
II	**Unquoted:**					
(i)	Shares:	-	-	-	-	-
	(a) Equity					
	(b) Preference	-	-	-	-	-
(ii)	Debentures and bonds	-	-	-	-	-
(iii)	Units of mutual funds	-	-	-	-	-
(iv)	Government securities	-	-	-	-	-
	Long Term Investments					
I	**Quoted:**					
(i)	Shares:	-	-	-	-	-
	(a) Equity					
	(b) Preference	-	-	-	-	-
(ii)	Debentures and bonds	-	-	-	-	-
(iii)	Units of mutual funds	-	-	-	-	-
(iv)	Government securities	1,031.80	1,004.29	1,019.60	1,043.08	-
II	**Unquoted:**					
(i)	Shares:					
	(a) Equity	0.57	0.57	0.57	0.57	0.90
	(b) Preference	-	-	-	-	-
(ii)	Debentures and bonds	-	-	-	-	-
(iii)	Units of mutual funds	-	-	-	-	-
(iv)	Government securities	-	-	-	-	-
(v)	Investment in Pass Through Certificates	-	-	-	-	-
(v)	Investment in Pass Through Certificates	-	-	-	-	-
(vi)	Others(Security Receipts in ARC and PTC)	1,154.02	-	950.47	-	-

5 ***Borrower Group-wise Classification of Assets Financed as in (2) and (3) above***

S.No	Category	As at June 30, 2023 (Net of Provisions)			As at June 30, 2022 (Net of Provisions)			As at March 31, 2023 (Net of Provisions)		
		Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties									
	(a) Subsidiaries		-	-	-	-	-		-	-
	(b) Companies in the same group		-	-	-	-	-		-	-
	(c) Other related parties		-	-	-	-	-		-	-
				-			-			-
2	Other than related parties	8,392.86	74,397.37	82,790.23	4,643.27	49,838.93	54,482.21	7,388.13	79,300.83	86,688.96
		8,392.86	**74,397.37**	**82,790.23**	**4,643.27**	**49,838.93**	**54,482.21**	**7,388.13**	**79,300.83**	**86,688.96**

S.No	Category	As at March 31, 2022 (Net of Provisions)			As at March 31, 2021 (Net of Provisions)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
				-			-
2	Other than related parties	3,470.79	50,814.74	54,285.53	425.58	47,313.96	47,739.53
		3,470.79	**50,814.74**	**54,285.53**	**425.58**	**47,313.96**	**47,739.53**

Note: The amount of Assets financed represents the net owned portfolio outstanding after adjusting the provisions for standard, substandard and doubtful assets.

6 ***Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :***

S.No	Category	As at June 30, 2023		As at June 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		Market Value / Break up Value or Fair Value or Net Asset Value	Book Value	Market Value / Break up Value or Fair Value or Net Asset Value	Book Value	Market Value / Break up Value or Fair Value or Net Asset Value	Book Value	Market Value / Break up Value or Fair Value or Net Asset Value	Book Value	Market Value / Break up Value or Fair Value or Net Asset Value	Book Value
1	Related parties										
(a)	(a) Subsidiaries	-	-	-	-	-	-	-	-	-	-
(b)	(b) Companies in the same group	-	-	-	-	-	-	-	-	-	-
(c)	(c) Other related parties	-	-	-	-	-	-	-	-	-	-
2	Other than related parties	2,186.39	2,186.39	1,004.86	1,004.86	1,970.64	1,970.64	1,043.65	1,043.65	0.90	0.90
		2,186.39	**2,186.39**	**1,004.86**	**1,004.86**	**1,970.64**	**1,970.64**	**1,043.65**	**1,043.65**	**0.90**	**0.90**

7 ***Other Information***

S.No	Category	As at June 30, 2023		As at June 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross non-performing assets		2,468.87	-	4,529.77	-	2,519.06	-	960.80	-	906.87
(ii)	Net non-performing assets		1,085.61	-	1,052.76	-	1,011.12	-	171.11	-	1.81
(iii)	Assets acquired in satisfaction of debt		-	-	-	-	-	-	-	-	-

46 High Quality Liquid Assets disclosure pursuant to RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019

Particulars	As at June 30, 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets		
Cash and bank balances	5,634.03	5634.03
Unencumbered fixed deposits	1,958.36	1958.36
Investment in G sec	1063.30	1063.30
	8,655.69	**8,655.69**
Cash Outflows		
Unsecured wholesale funding		
Secured wholesale funding		
Additional requirements, of which		
Outflows related to derivative exposures and other collateral requirements		
Outflows related to loss of funding of debt products		
Credit and liquidity facilities		
Other contractual funding obligations	6746.64	7758.63
Other contingent funding obligations		
	6,746.64	**7,758.63**
Cash Inflows		
Secured lending		
Inflows from fully performing exposures		
Other cash inflows	6,232.56	4,674.42
	6,232.56	**4,674.42**

Particulars	As at June 30, 2022*		As at September 30, 2022*		As at December 31, 2022*		As at March 31, 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
Cash and bank balances	1,935.93	1,935.93	2,015.13	2,015.13	2,407.31	2,407.31	4,248.92	4,248.92
Unencumbered fixed deposits	1,732.14	1,732.14	5,792.12	5,792.12	5,564.37	5,564.37	1,260.86	1,260.86
Investment in G sec	1,004.30	1,004.30	1085.58	1085.58	1102.35	1102.35	1,034.32	1,034.32
	4,672.37	**4,672.37**	**8,892.83**	**8,892.83**	**9,074.03**	**9,074.03**	**6,544.10**	**6,544.10**
Cash Outflows								
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	-	-	-	-	-	-	-	-
Additional requirements, of which	-	-	-	-	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding of debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	4,163.63	4,788.17	7,125.02	8,193.77	5,389.00	6,197.35	5,678.19	6,529.92
Other contingent funding obligations	-	-	-	-	-	-	-	-
	4,163.63	**4,788.17**	**7,125.02**	**8,193.77**	**5,389.00**	**6,197.35**	**5,678.19**	**6,529.92**
Cash Inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	-	-	-	-	-	-	-	-
Other cash inflows	4,317.29	3,237.97	4,786.58	3,589.94	4,747.93	3,560.94	4,917.96	3,688.47
	4,317.29	**3,237.97**	**4,786.58**	**3,589.94**	**4,747.93**	**3,560.94**	**4,917.96**	**3,688.47**

Particulars	As at June 30, 2021*		As at September 30, 2021*		As at December 31, 2021*		As at March 31, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
Cash and bank balances	1,340.55	1,340.55	2,089.19	2,089.19	1,653.43	1,653.43	2,612.92	2,612.92
Unencumbered fixed deposits	4,192.62	4,192.62	13,472.77	13,472.77	37.71	37.71	5,330.13	5,330.13
Investment in G sec	-	-	-	-	1,101.98	1,101.98	1,057.61	1,057.61
	5,533.17	**5,533.17**	**15,561.96**	**15,561.96**	**2,793.12**	**2,793.12**	**9,000.67**	**9,000.67**
Cash Outflows								
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	-	-	-	-	-	-	-	-
Additional requirements, of which	-	-	-	-	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding of debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	4,698.59	5,403.37	4,535.24	5,215.53	3,382.27	3,889.61	3,272.28	3,763.12
Other contingent funding obligations	-	-	-	-	-	-	-	-
	4,698.59	**5,403.37**	**4,535.24**	**5,215.53**	**3,382.27**	**3,889.61**	**3,272.28**	**3,763.12**
Cash Inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	-	-	-	-	-	-	-	-
Other cash inflows	3,113.71	2,335.28	6,605.88	4,954.41	4,820.11	3,615.08	4,931.83	3,698.87
	3,113.71	**2,335.28**	**6,605.88**	**4,954.41**	**4,820.11**	**3,615.08**	**4,931.83**	**3,698.87**

Particulars	As at June 30, 2020*		As at September 30, 2020*		As at December 31, 2020*		As at March 31, 2021	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
Cash and bank balances	896.15	896.15	1,683.59	1,683.59	1,565.51	1,565.51	2,232.43	2,232.43
Unencumbered fixed deposits	16,341.62	16,202.27	8,276.29	8,276.29	4,907.63	4,907.63	4,722.26	4,722.26
Investment in G sec	-	-	-	-	-	-	-	-
	17,237.77	**17,098.42**	**9,959.88**	**9,959.88**	**6,473.14**	**6,473.14**	**6,954.69**	**6,954.69**
Cash Outflows								
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	-	-	-	-	-	-	-	-
Additional requirements, of which	-	-	-	-	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding of debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	2,486.78	2,859.79	3,335.09	3,835.36	3,221.66	3,704.90	4,064.13	4,673.75
Other contingent funding obligations					-	-	-	-
	2,486.78	**2,859.79**	**3,335.09**	**3,835.36**	**3,221.66**	**3,704.90**	**4,064.13**	**4,673.75**
Cash Inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	-	-	-	-	-	-	-	-
Other cash inflows	6,345.78	4,759.33	5,508.83	4,131.62	4,996.21	3,747.16	5,410.48	4,057.86
	6,345.78	**4,759.33**	**5,508.83**	**4,131.62**	**4,996.21**	**3,747.16**	**5,410.48**	**4,057.86**

Liquidity coverage ratio

Particulars	Financial Year 2023-24
	As at June 30, 2023
Total high quality liquid assets (a)	8,655.69
Total net cash outflows (b)	3,084.21
Liquidity coverage ratio (a)/(b)	**280.64%**

Particulars	Financial Year 2022-23			
	As at June 30, 2022	As at Sept 30, 2022	As at Dec 31, 2022	As at Mar 31, 2023
Total high quality liquid assets (a)	4,672.37	8,892.83	9,074.03	6,544.10
Total net cash outflows (b)	1,550.20	4,603.83	2,636.41	2,841.45
Liquidity coverage ratio (a)/(b)	**301.40%**	**193.16%**	**344.18%**	**230.31%**

Particulars	Financial Year 2021-22			
	As at June 30, 2021	As at Sept 30, 2021	As at Dec 31, 2021	As at Mar 31, 2022
Total high quality liquid assets (a)	5,533.17	15,561.95	2,793.12	9,000.66
Total net cash outflows (b)	1,715.40	1,326.81	972.40	940.78
Liquidity coverage ratio (a)/(b)	**322.56%**	**1172.88%**	**287.24%**	**956.72%**

Particulars	Financial Year 2020-21			
	As at June 30, 2020	As at Sept 30, 2020	As at Dec 31, 2020	As at Mar 31, 2021
Total high quality liquid assets (a)	17,098.43	9,959.88	6,473.14	6,954.69
Total net cash outflows (b)	714.95	1,135.69	963.74	1,168.29
Liquidity coverage ratio (a)/(b)	**2391.56%**	**876.99%**	**671.67%**	**595.29%**

** The Inflows and outflows for the Three months period ended June 30, 2022, September 30, 2022 and December 31, 2022 have been extracted from the form DNBS4 filed by the company with the Reserve Bank of India.*

Qualitative disclosures

The Reserve Bank of India has prescribed monitoring of sufficiency of NBFC's liquid assets pursuant to RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019. The Liquidity Coverage Ratio (LCR) is aimed at measuring and promoting short-term resilience of NBFCs to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by 1.15 times and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by 0.75 times.

The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the Three months period ended June 30, 2023 was 349.06% (for the Three months period ended June 30, 2022 351.28%, for the Three months period ended March 31, 2023 245.77%, for the Three months period ended March 31, 2022 874.23% and for the Three months period ended March 31, 2021 756.36%) which is above the regulatory requirement.

47 RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated on September 29, 2016

(a) For the three months ended June 30, 2023

Category	More than Rs. 0.1 Millions		Less than Rs. 0.1 Millions	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	18	103.19	-	-
- By Others	-	-	9	0.43
Total	**18**	**103.19**	**9**	**0.43**

(b) For the three months ended June 30, 2022

Category	More than Rs. 0.1 Millions		Less than Rs. 0.1 Millions	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	10	6.65	-	-
- By Others	-	-	-	-
Total	**10**	**6.65**	**-**	**-**

(c) For the year ended FY 2022-23

Category	More than Rs. 0.1 Millions		Less than Rs. 0.1 Millions	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	66	101.56	-	-
- By Others	-	-	3	0.14
Total	**66**	**101.56**	**3**	**0.14**

(d) For the year ended FY 2021-22

Category	More than Rs. 0.1 Millions		Less than Rs. 0.1 Millions	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	29	12.45	2	0.15
- By Others	2	0.28	14	0.68
Total	**31**	**12.73**	**16**	**0.83**

(e) For the year ended FY 2020-21

Category	More than Rs. 0.1 Millions		Less than Rs. 0.1 Millions	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	7	23.13	4	0.17
- By Others	1	0.27	24	0.91
Total	**8**	**23.40**	**28**	**1.08**

Note: The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

47.1 Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012

Net Interest Margin during the Year:

	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Average Interest (a)	25.00%	23.81%	24.16%	20.35%	20.92%
Average effective cost for borrowing Interest (b)	10.19%	10.14%	10.10%	10.45%	10.37%
Net Interest Margin (a-b)	**14.81%**	**13.67%**	**14.06%**	**9.90%**	**10.55%**

The Average interest represents the effective rate at which loans have been disbursed to the customers for the years ended March 31, 2023, March 31, 2022, March 31, 2021 and three months period ended June 30, 2023 and June 30, 2022

The Average interest cost of borrowings of the Company for the years ended March 31, 2023, March 31, 2022, March 31, 2021 and three months period ended June 30, 2023 and June 30, 2022 have been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

a) Upfront processing fees paid by the Company for availing loans.
b) Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings.

47.2 Undisclosed income

There are no transactions not recorded in the books of accounts.

48 Corporate Social Responsibility (CSR)

For the three months period ended June 30, 2023

During the three months period, the Company incurred an aggregate amount of Rs.16.307 Millions towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	As at three months period ended June 30, 2023		
	Projects related to FY 2023-24	Projects related to FY 2022-23	Projects related to FY 2021-22
(a) Gross amount required to be spent by the company during the year as per Sec 135 of Companies Act, 2013	24.16	4.06	13.55
(b) Excess Amount spent in previous year	-	-	-
(c)Gross amount required to be spent by the company during the year after adjustment, if any (a)-(b)	24.16	4.06	13.55
(d) Amount spent during the quarter ended June 30, 2023:	4.41	3.15	8.75
i) Construction / acquisition of any asset	0.37	3.15	8.75
ii) On purposes other than (i) above	4.04	-	-
(e) Unspent Amount as on June 30, 2023 (c)-(d)	19.75	0.91	4.80
(f) Excess Amount spent as on June 30, 2023	-	-	-
(g) Surplus generated for CSR fund during previous year	NA	NA	NA
(h) Amount Transferred to CSR Unspent account as on June 30, 2023	NA	NA	NA
(i) Closing balance for ongoing projects in CSR unspent account as on June 30, 2023	NA	0.91	4.80
(j) Reason for shortfall	NA	NA	NA
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.			
i) Trust Name	**Manappuram Foundation**	**Manappuram Foundation**	**Manappuram Foundation**
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Promotion of Health care and Women empowerment	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment f) Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; g) Disaster management, including relief, rehabilitation and reconstruction activities i) Preventive Healthcare and Sanitation	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group. c) Promotion of Health care and Women empowerment d) Eradicating hunger, poverty and malnutrition e) Promotion of Healthcare/preventive healthcare

For the three months period ended June 30, 2022

During the three months period, the Company incurred an aggregate amount of Rs.3.587 Millions towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	As at three months period ended June 30, 2022
(a) Gross amount required to be spent by the company during the year as per Sec 135 of Companies Act, 2013	24.13
(b) Excess Amount spent in previous year	-
(c)Gross amount required to be spent by the company during the year after adjustment, if any (a)-(b)	24.13
(d) Amount spent during the quarter ended June 30, 2022	3.59
i) Construction / acquisition of any asset	Nil
ii) On purposes other than (i) above	3.59
(e) Unspent Amount as on June 30, 2022 (c)-(d)	20.54
(f) Excess Amount spent as on June 30, 2022	-
(g) Surplus generated for CSR fund during previous year	NA
(h) Amount Transferred to CSR Unspent account as on June 30, 2022	NA
(i) Closing balance for ongoing projects in CSR unspent account as on June 30, 2023	NA
(j) Reason for shortfall	NA
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.	
i) Trust Name	**Manappuram Foundation**
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	NA
(i)When the amendments to Section 135(5) and 135(6) are made applicable, then the following details in the notes should also be made:	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment f) Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; g) Disaster management, including relief, rehabilitation and reconstruction activities i) Preventive Healthcare and Sanitation

For the year ended 31st March 2023

During the year, the Company incurred an aggregate amount of Rs.377.54 Millions towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	**As at the year ended March 31, 2023**	
	Projects related to FY 2022-23	**Projects related to FY 2021-22**
(a) Gross amount required to be spent by the company during the year as per Sec 135 of Companies Act, 2013	24.13	31.23
(b) Excess Amount spent in previous year	-	-
(c)Gross amount required to be spent by the company during the year after adjustment, if any (a)-(b)	24.13	31.23
(d) Amount spent during the year as on March 31, 2023	20.07	17.68
i) Construction / acquisition of any asset	12.03	17.36
ii) On purposes other than (i) above	8.04	0.32
(e) Unspent Amount as on March 31, 2023 (c)-(d)	4.06	13.55
(f) Excess Amount spent as on June 30, 2022	-	-
(g) Surplus generated for CSR fund during previous year	0.16	-
(h) Amount Transferred to CSR Unspent account as on March 31, 2023	4.06	NA
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2023	4.06	13.55
(j) Reason for shortfall	Fund is allocated for ongoing Projects	Fund is allocated for ongoing Projects
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.		
i) Trust Name	**Manappuram Foundation**	**Manappuram Foundation**
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment f) Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; g) Disaster management, including relief, rehabilitation and reconstruction activities i) Preventive Healthcare and Sanitation	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment

For the year ended 31st March 2022

During the year, the Company incurred an aggregate amount of Rs.5.17 Millions towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	**As at the year ended March 31, 2022**
(a) Gross amount required to be spent by the company during the year as per Sec 135 of Companies Act, 2013	38.16
(b) Excess Amount spent in previous year	1.76
(c)Gross amount required to be spent by the company during the year after adjustment, if any (a)-(b)	36.40
(d) Amount spent during the year as on March 31, 2022	5.16
i) Construction / acquisition of any asset	0.10
ii) On purposes other than (i) above	5.06
(e) Unspent Amount as on March 31, 2022 (c)-(d)	31.23
(f) Excess Amount spent as on March 31, 2022	-
(g) Surplus generated for CSR fund during previous year	-
(h) Amount Transferred to CSR Unspent account as on March 31, 2022	31.39
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2022	31.23
(j) Reason for shortfall	Fund is allocated for ongoing Projects
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.	
i) Trust Name	**Manappuram Foundation**
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promoting education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment f) Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; g) Disaster management, including relief, rehabilitation and reconstruction activities i) Preventive Healthcare and Sanitation

For the year ended 31st March 2021

During the year, the Company incurred an aggregate amount of Rs.34.454 Millions towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Particulars	As at the year ended March 31, 2021
(a) Gross amount required to be spent by the company during the year as per Sec 135 of Companies Act, 2013	32.69
(b) Excess Amount spent in previous year	-
(c)Gross amount required to be spent by the company during the year after adjustment, if any (a)-(b)	32.69
(d) Amount spent during the year as on March 31, 2021	34.45
i) Construction / acquisition of any asset	14.87
ii) On purposes other than (i) above	19.58
(e) Unspent Amount as on March 31, 2021 (c)-(d)	-
(f) Excess Amount spent as on March 31, 2021	1.76
(g) Surplus generated for CSR fund during previous year	-
(h) Amount Transferred to CSR Unspent account as on March 31, 2021	NA
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2021	NA
(j) Reason for shortfall	NA
(k) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.	
i) Trust Name	**1. Manappuram Foundation** **2. Asirvad Development Foundation**
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promoting education b) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports c) promoting health care including preventinve health care

49 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the three months period ended June 30, 2023 June 30, 2022 and years ended March 31, 2023, March 31, 2022 and March 31, 2021.

50 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended March 31, 2023, Rs. 446.86 Millions (year ended March 31, 2022 Rs. 27.86 Millions and March 31, 2021 Rs. 32.50 Millions) is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

51 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risks	Notional expressed in INR	Maturity date	Changes in fair value of hedging instrument Assets	Changes in fair value of hedging instrument Liability	Line item in Balance Sheet
Cash flow hedge					
Foreign exchange forward contracts (Cross currency interest rate swaps) (USD)					
For the three months ended June 30 2023	1,169.11		145.32	-	Derivative financial instruments
For the three months ended June 30 2022	1,184.13		112.14	-	Derivative financial instruments
For the year ended March 31 2023	1,233.26		174.55	-	Derivative financial instruments
For the year ended March 31 2022	1,137.11		52.57	-	Derivative financial instruments
For the year ended March 31 2021	-		-	-	Derivative financial instruments
Foreign exchange forward contracts (Cross currency interest rate swaps) (EURO)					
For the three months ended June 30 2023	2,228.15		67.90	-	Derivative financial instruments
For the three months ended June 30 2022	2,064.50		(73.94)	-	Derivative financial instruments
For the year ended March 31 2023	2,240.20		88.43	-	Derivative financial instruments
For the year ended March 31 2022	2,116.50		(39.43)	-	Derivative financial instruments
For the year ended March 31 2021	2,152.48		-	13.53	Derivative financial instruments

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange forward contracts (Cross currency interest rate swaps)				
For the three months ended June 30 2023	(49.76)	-	(20.61)	Finance Cost
For the three months ended June 30 2022	25.06	-	(4.96)	Finance Cost
For the year ended March 31 2023	249.84	-	219.84	Finance Cost
For the year ended March 31 2022	26.67	-	(2.37)	Finance Cost
For the year ended March 31 2021	(13.53)	-	(20.03)	Finance Cost

Hedged Item

ECB Loans	**As at June 30, 2023**	**As at June 30, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Change in the value of hedged item used as the basis for recognising hedge in effectiveness	(176.83)	27.36	(197.44)	22.40	20.03
Cash flow hedge reserve as at*	36.39	65.56	65.54	35.54	6.50
Hedging gains or losses recognised in other comprehensive income	(29.15)	30.02	30.00	29.04	6.50

The hedge ineffective portion is acconted for as Finance Cost under the profit and loss account
* Figures are gross of tax

< The page has been left blank intentionally >

52 Employee Stock Option Scheme (ESOS), 2019

(a) The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	02-Feb-19
Number of options approved	8,30,000
Date of grant	July 1, 2019
Number of options granted upto June 30, 2023	8,30,000
Method of settlement	Equity
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e July 1,2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023
Exercisable period	1 year from graded vesting date
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of Rs. 364/- on July 1,2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e July 1,2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023. The exercise period commences from the date of vesting and will expire not later than one year from the date of vesting.

(b) The summary of the movements in options is given below:

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Options outstanding, beginning of year	2,42,500	5,12,500	6,55,000
Options granted during the year	-	-	-
Increase on account of Bonus issue	-	-	-
Lapsed Options restored during the year	-	-	-
Options lapsed during the quarter	1,25,250	2,70,000	1,42,500
Options lapsed during the year due to end of exercise period for tranche	52,500		
Options Expired during the year	-	-	-
Options Exercised during the year	-	-	-
Options unvested and Outstanding at the End of the Year	**64,750**	**2,42,500**	**5,12,500**
Options outstanding at the year end comprise of :			
- Options eligible for exercise at year end	32,375	72,750	-
- Options not eligible for exercise at year end	32,375	1,69,750	5,12,500
	64,750	**2,42,500**	**5,12,500**

	As at June 30, 2023	As at June 30, 2022
Options outstanding, beginning of year	64,750	2,42,500
Options granted during the three months period ended	-	-
Increase on account of Bonus issue	-	-
Lapsed Options restored during the three months period ended		-
Options lapsed during the three months period ended	7,000	67,500
Options lapsed during the three months period due to end of exercise period for tranche	28,875	52,500
Options Expired during the three months period ended	-	-
Options Exercised during the three months period ended	-	-
Options unvested and Outstanding at the End of the three months period ended	**28,875**	**1,22,500**
Options outstanding at the year end comprise of :		
- Options eligible for exercise at three months period ended	-	-
- Options not eligible for exercise at three months period ended	28,875	1,22,500
	28,875	**1,22,500**

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the compensation cost for ESOS 2019 was required to be recognised based on the fair value on the date of grant i.e. in FY 2019-20. The Company has rectified the prior period error by giving retrospective effect of ESOP expenses and tax impact in the opening reserves of FY 2020-21, thereby providing reliable and more relevant information about the Company's financial position. The imapct of such change is as follows:

Financial line item	**increase / (decrease)**
	As at and for the year ended March 31, 2020
ESOP expense	7.31
Deferred Tax	1.84
Earnings per share (in Rs.) (Face value of Rs.10 per equity share)	
- Basic	(0.03)
- Diluted	(0.03)

Expenses recognised in the Profit and loss accounts for the three months ended June 30, 2023, is Rs. 0.06 in Millions (for the three months ended June 30, 2022 Rs.1.51 in Millions, for the year ended March 31, 2023 Rs. 2.10, for year ended March 31, 2022 Rs. 0.07 in Millions and for year ended March 31, 2021 Rs.10.48 in Millions)

Tax impact for three months period ended June 30, 2023 is Rs. 0.02 in Millions (for the three months ended June 30, 2022 Rs.0.38 in Millions, for the year ended March 31, 2023 Rs. 0.53, for year ended March 31, 2022 Rs. 0.02 in Millions and for year ended March 31, 2021 Rs. 2.64 in Millions)

(d) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under

Grant Date	01-Jul-2019
Option Price Model	Black Scholes Method
Exercise Price	364
Share Price on Grant Date	239.37
Expected Volatility	0.5
Expected time to exercise shares	1 Year after Vesting i.e. last possible exercise date
Risk-free rate of return	6.61% - 7.00%
Dividend Yield	0
Fair Value of ESOP at Grant Date	63.24 - 96.7
Weighted Average Fair Value of ESOP at Grant Date	81.1845
Method used to determine expected volatility	The expected volatility is based on price volatility of similar NBFC Listed company.

53 Trade Receivables

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Receivables considered good - Secured					
(b) Receivables considered good - Unsecured;	44.01	12.47	60.08	3.83	26.40
(c) Receivables which have significant increase in Credit Risk					
(d) Receivables - credit impaired					
Gross	44.01	12.47	60.08	3.83	26.40
Less: Allowances for impairment loss on credit impaired trade receivables	-	-	-	-	-
Net	**44.01**	**12.47**	**60.08**	**3.83**	**26.40**

Trade receivables ageing

As at June 30, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	43.48	0.53	-	-	-	44.01
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

As at June 30, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	12.47	-	-	-	-	12.47
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	52.52	7.56	-	-	-	60.08
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	3.83	-	-	-	-	3.83
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	26.40	-	-	-	-	26.40
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 days.

54 Trade payables

Particulars	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-				
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.86	5.46	8.02	11.44	59.46
Total	6.86	5.46	8.02	11.44	59.46

Ageing as at June 30, 2023

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
(i) MSME	-	-	-	-	-
(ii) Others	4.07	2.79			6.86
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

Ageing as at June 30, 2022

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
(i) MSME	-	-	-	-	-
(ii) Others	5.46				5.46
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

Ageing as at March 31, 2023

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
(i) MSME	-	-	-	-	-
(ii) Others	7.98	0.04			8.02
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

Ageing as at March 31, 2022

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
(i) MSME	-	-	-	-	-
(ii) Others	11.44	-			11.44
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

Ageing as at March 31, 2021

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
(i) MSME	-	-	-	-	-
(ii) Others	59.28	0.18			59.46
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

55 Capital Advances and Intangible assets under development ageing

A

Particulars	**Out standing for the followinng periods from the due date of payment**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital-Work-in Progress (CWIP)	-	-	-	-	-
as on June 30, 2023	-	-	-	-	-
as on June 30, 2022	-	-	-	-	-
as on March 31, 2023	-	-	-	-	-
as on March 31, 2022	-	-	-	-	-
as on March 31, 2021	-	-	-	-	-
Intangible assets under development					-
as on June 30, 2023	-	-	-	-	-
as on June 30, 2022	-	-	-	-	-
as on March 31, 2023	-	-	-	-	-
as on March 31, 2022	3.97	5.45	-	-	9.42
as on March 31, 2021	5.45	-	-	-	5.45

B For Capital work in progress and Intangible assets under development, there is no transaction whose completion is overdue or has exceeded its cost compared to its original plan.

56 Details of Benami Property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the three months ended June 30, 2023 and June 30 2022 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

57 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the three months ended June 30, 2023 and June 30 2022 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

58 Relationship with Struck off Companies

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the three months period ended June 30, 2023 and June 30 2022 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021. are given below:

Name of the struck off company	Balance outstanding as at					Relationship with the struckoff company
	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	
Receivables (Loans outstanding)	-	-	-	-	-	-
Payables (Borrowings outstanding)	-	-	-	-	-	-
Payables (Trade Creditors)	-	-	-	-	-	-
- Nutech Solutions	-	-	-	-	0.03	Trade Creditors
Shares held by struck off company	-	-	-	-	-	-

	For the three months period ended		For the year ended		
	June 30, 2023	June 30, 2022	March 31, 2023	March 31,2022	March 31,2021
Value transactions conducted with the above Trade Creditor, being the company whose name has been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.				0.04	0.26

In the three months period ended June 30, 2023 and June 30, 2022, financial year ended 31 March 2023, 31 March 2022, the Company has not conducted any transaction with struck off companies and in the financial year ended 31 March 2021, the company has conducted transactions of value Rs.0.03 Millions with Nutech Solutions (Trader Creditor), being the company whose name has been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. The Company has not alloted any Equity share to the said company.

59 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the three months ended June 30, 2023 and June 30 2022 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, Except for few instances where delay was due to technical issues in MCA site . For these cases, charges were created with in the extended timeline given by MCA.

60 Compliance with number of layers of companies

Not Applicable

61 Utilisation of Borrowed funds and share premium

During three months ended June 30, 2023 and June 30 2022 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

62 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during three months ended June 30, 2023 and June 30 2022 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

63 Details of stressed loans transferred and investment made in Security Receipts to ARCs:

Particulars	For the three months period ended June 30, 2023	For the three months period ended June 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)No of Accounts	6,790	-	27,509	-	-
(ii)Aggregate principal outstanding of loans transferred	953.00	-	3,221.00	-	-
iii)Weighted average residual tenure of the loans transferred (Months)	3.66	-	0.56	-	-
iv)Net book value of loans transferred (At the time of transfer)	490.74	-	1,059.40	-	-
v)Aggregate consideration	314.50	-	1,063.00	-	-
vi)Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-	-
vii)Investment in Security Reciepts (SR)	267.33	-	924.30	-	-

64 During the three months period ended June 30, 2022, the Company started recognizing the revenue on the gross credit impaired portfolio net off provision harmonious with the requirements of IND AS 109 which was being recognized on actual receipt basis till March 31, 2022, thereby aligning its accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the parent entity's accounting policy. Accordingly, as per para 14 (b) of INDAS 8, the Company has retrospectively changed the policy to reflect the above changes in the financial results, thereby providing reliable and more relevant information about the Company's financial position, financial performance or cash flows. The impact of such change is as under :

Financial line item	**increase / (decrease)**				
	As at and for the Three months period ended June 30, 2023	**As at and for the Three months period ended June 30, 2022**	**As at and for the year ended March 31, 2023**	**As at and for the year ended March 31, 2022**	**As at and for the year ended March 31, 2021**
Interest income	-	-	272.69	121.90	-
Finance cost	-	-	-	-	-
Impairment of financial instruments	-	-	134.90	97.52	-
Employee benefit expenses	-	-	-	-	-
Tax Expense	-	-	34.68	6.14	-
Other comprehensive income	-	-	-	-	-
Profit after Tax for the year	**-**	**-**	**103.11**	**18.24**	**-**
Loans	-	-	137.79	24.38	-
Investments	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Current tax assets (net)	-	-	(65.20)	(29.15)	-
Deferred tax assets (net)	-	-	30.52	23.01	-
Other Equity	-	-	103.11	18.24	-
Earnings per share (in Rs.) (Face value of Rs.10 per equity share)					
- Basic	-	-	1.64	0.34	-
- Diluted	-	-	1.64	0.34	-

65 Disclosure Pursuant to Reserve Bank of India Notification DOR.ACC.REC.No.20/21.04.018/2022-23 dt. April 19, 2022

65.1 Exposure to Real Estate Sector

Particulars	**As at June 30, 2023**	**As at June 30, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Category					
Direct exposure					
(i) Residential Mortgages					
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	355.02	475.21	366.08	487.29	402.76
(ii) Commercial Real Estate -					
Lending secured by mortgages on commercial real estates (office buildings, retail space,	8.40	9.39	8.74	-	0.95
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -					
a.Residential	-	-	-	-	-
b.Commercial Real Estate	-	-	-	-	-
Total Exposure to Real Estate Sector	**363.42**	**484.60**	**374.82**	**487.29**	**403.71**

65.2 Exposure to capital market

The Company does not have any exposure to Capital market as at June 30 2023 , June 30 2022 , March 31, 2023 , March 31 2022 and March 31, 2021.

65.3 Customer complaints

Particulars	**As at June 30, 2023**	**As at June 30, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Complaints received by the NBFC from its customers					
No. of complaints pending as at beginning of the year	123	859	859	298	36
No. of complaints received during the year	556	993	3,693	3,435	1,172
No. of complaints disposed during the year	592	1171	4,429	2,874	910
Of which, number of complaints rejected by the NBFC	NIL	NIL	NIL	NIL	NIL
No. of complaints pending as at end of the year	87	681	123	859	298
from Office of Ombudsman	NIL	NIL	NIL	NIL	NIL
by Office of Ombudsman	NIL	NIL	NIL	NIL	NIL
conciliation/mediation/advisories issued by Office of	NIL	NIL	NIL	NIL	NIL
Awards by Office of Ombudsman against the NBFC	NIL	NIL	NIL	NIL	NIL
time (other than those appealed)	NIL	NIL	NIL	NIL	NIL

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 previous, number of complaints pending beyond 30 days
For the three months ended June 30, 2023					
Insurance related	69	222	-56.04%	26	
Collection related	38	167	-28.02%	55	28
Loan Related	5	41	-10.87%	1	
Staff Related	-	45	-31.82%	1	
CIBIL related	-	22	-83.94%	3	
Others	11	59	742.86%	1	1
Total	123	556		87	29
For the three months ended June 30, 2022					
Insurance related	508	505	NA	339	263
Collection related	197	232	NA	163	122
Loan Related	35	46	NA	25	21
Staff Related	12	66	NA	42	24
CIBIL related	79	137	NA	104	73
Others	28	7	NA	8	6
Total	859	993		681	509
For the year ended March 31, 2023					
Insurance Related	508	1,718	35.49%	69	40
Collection Related	197	954	-1.75%	38	16
Loan Related	35	460	-17.56%	5	4
Staff Related	12	215	2.87%	-	-
Service Related	79	167	NA	-	-
Others	28	179	-19.00%	11	2
Total	859	3,693		123	62
For the year ended March 31, 2022					
Insurance related	78	1,268	310.36%	508	367
Collection related	15	971	574.31%	197	88
Loan Related	94	558	77.14%	35	19
Staff Related	1	209	84.96%	12	6
CIBIL related	8	208	220.00%	25	8
Others	102	221	-2.21%	82	21
Total	298	3,435		859	509
For the year ended March 31, 2021					
Insurance Related	13	309	83.50%	78	41
Collection Related	2	144	63.89%	15	5
Loan Related	-	315	-26.67%	94	76
Staff Related	3	113	-48.67%	1	-
Service Related	2	65	-13.85%	8	4
Others	16	226	-87.83%	102	74
Total	36	1,172		298	200

65.4 Intra Group Exposures

There is no Intra group exposures for the company

65.5 Instances of breach of covenant of loan availed or debt securities issued

The Company has been regular in serving all its borrowings though there has been breach of some of the covenants relating to borrowings.Given the large scale Covid-19 induced disruptions, many of the borrowers across the microfinance industry were unable to service their loans on-time resulting in significantly elevated PAR, GNPA, NPA etc., The company was not immune to this industry trend and witnessed breach of some of the covenants due to elevated portfolio stress levels

Breach of Covenant	As at June 30, 2023	As at June 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Number of Instances	10	24	9	8	11
Amount Involved (Rs. In Millions)	5,395.40	10,257.90	4,026.30	5,067.30	3,137.40

65.6 <u>Sectoral Exposure</u>

Sectors	Three months period ended June 30, 2023			Three months period ended June 30, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Millions)	Gross NPAs (₹ Millions)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Millions)	Gross NPAs (₹ Millions)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
i) Agriculture-Animal Husbandry	4,864.80	117.46	2.41%	3,696.12	156.06	4.22%
ii) Agriculture-Dairy	6,490.32	386.30	5.95%	8,772.00	903.04	10.29%
iii) Agriculture-Crops	58,564.41	1,227.48	2.10%	30,860.32	1,169.24	3.79%
iv)Agriculture - Others	1,466.81	75.63	5.16%	2,057.16	137.69	6.69%
Total (i+ii+iii+iv)	**71,386.34**	**1,806.87**	**2.53%**	**45,385.60**	**2,366.03**	**5.21%**
2.Industry						
i) Textile	2,560.50	79.33	3.10%	1,500.91	122.11	8.14%
ii) Others	2,755.32	141.81	5.15%	1,928.22	87.20	4.52%
Total (i+ii)	**5,315.82**	**221.14**	**4.16%**	**3,429.13**	**209.31**	**6.10%**
3.Services						
i) Trade	7,961.07	448.32	5.63%	6,453.18	906.83	14.05%
ii) Others	4,854.06	299.93	6.18%	4,654.08	518.46	11.14%
Total (i+ii)	**12,815.13**	**748.25**	**5.84%**	**11,107.26**	**1,425.29**	**12.83%**
4.Personal Loans						
i) Loan Against Gold Jewellery	7,895.77	93.75	1.19%	4,208.14	4.06	0.10%
ii) Product Loan	3,323.27	654.02	19.68%	5,576.94	1,884.28	33.79%
iii) Others	669.44	12.70	1.90%	418.25	4.30	1.03%
Total (i+ii+iii)	**11,888.48**	**760.47**	**6.40%**	**10,203.33**	**1,892.64**	**18.55%**

Sectors	Year ended March 31, 2023			Year ended March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Millions)	Gross NPAs (₹ Millions)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Millions)	Gross NPAs (₹ Millions)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
i) Agriculture-Animal Husbandry	4,823.09	100.37	2.08%	3,789.54	103.38	2.73%
ii) Agriculture-Dairy	7,024.75	463.20	6.59%	9,905.43	421.62	4.26%
iii) Agriculture-Crops	55,743.82	975.78	1.75%	27,800.01	106.15	0.38%
iv)Agriculture - Others	1,665.04	80.93	4.86%	2,267.75	71.04	3.13%
Total (i+ii+iii+iv)	**69,256.70**	**1,620.28**	**2.34%**	**43,762.73**	**702.19**	**1.60%**
2.Industry						
i) Textile	2,580.01	87.72	3.40%	1,495.29	72.15	4.83%
ii) Others	2,825.77	119.60	4.23%	1,835.24	50.12	2.73%
Total (i+ii)	**5,405.78**	**207.32**	**3.84%**	**3,330.53**	**122.27**	**3.67%**
3.Services						
i) Trade	9,119.11	561.57	6.16%	7,443.60	416.35	5.59%
ii) Others	5,331.39	349.38	6.55%	4,835.99	262.42	5.43%
Total (i+ii)	**14,450.50**	**910.95**	**6.30%**	**12,279.59**	**678.77**	**5.53%**
4.Personal Loans						
i) Loan Against Gold Jewellery	7,053.20	49.85	0.71%	3,005.69	1.59	0.05%
ii) Product Loan	3,547.88	975.37	27.49%	7,277.78	757.97	10.41%
iii) Others	694.90	6.74	0.97%	365.50	2.05	0.56%
Total (i+ii+iii)	**11,295.98**	**1,031.96**	**9.14%**	**10,648.97**	**761.61**	**7.15%**

Sectors	Year ended March 31, 2021		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ Millions)	Gross NPAs (₹ Millions)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities			
i) Agriculture-Animal Husbandry	4,072.34	103.70	2.55%
ii) Agriculture-Dairy	5,973.04	110.23	1.85%
iii) Agriculture-Crops	16,361.44	316.19	1.93%
iv)Agriculture - Others	2,600.24	60.19	2.31%
Total (i+ii+iii+iv)	**29,007.06**	**590.31**	**2.04%**
2.Industry			
i) Textile	2,140.52	80.70	3.77%
ii) Others	1,226.54	38.65	3.15%
Total (i+ii)	**3,367.06**	**119.35**	**3.54%**
3.Services			
i) Trade	13,442.23	332.55	2.47%
ii) Others	7,322.24	263.97	3.61%
Total (i+ii)	**20,764.47**	**596.52**	**2.87%**
4.Personal Loans			
i) Loan Against Gold Jewellery	25.34	-	0.00%
ii) Product Loan	6,635.14	197.65	2.98%
iii) Others	47.11	-	0.00%
Total (i+ii+iii)	**6,707.59**	**197.65**	**2.95%**

66 The outbreak of COVID-19 pandemic across the globe and in India had contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) had issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company had proposed a moratorium on the payment of all principal instalments and/ or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers who had no overdue as on February 29, 2020. For all such accounts where the moratorium was granted, the asset classification remained at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy). The collection received during moratorium period had been adjusted towards moratorium interest first and then towards principal. Revised repayment schedule had been drawn as at September 01, 2020 and future collection were adjusted towards current interest , moratorium interest and principal till the moratorium interest was fully recovered and thereafter towards current interest and principal and accordingly the collections received for the month of September 2020 onwards had been adjusted as per the revised repayment schedule.

Further as per RBI Resolution framework dated August 06, 2020, the Company had done restructuring of loans for its 1.1 Lakh customers who has made request for restructuring of their loan as their livelihood was severely impacted due to COVID-19 and the loans worth ₹ 2,112 millions were restructured.

As at March 31, 2021, the Company had made provision towards impairment loss allowance amounting to ₹ 3,414 Millions which includes potential impact on account of COVID-19 pandemic on the Company's operations. This provision was made based on available information then and given the uncertainty over the potential macro-economic impact and based on the policy approved by the board, to determine the provision for impairment of financial assets.

The company witnessed a substantial improvement in all the business parameters of the Company in the last quarter of the year. The Company has achieved overall collection efficiency of 93% in the last quarter and also there was good demand for its loan product given the fact that economic recovery was gaining the momentum.

The nation was going through the second COVID-19 wave, though the Company was well prepared to handle the COVID-19 this time, as the lockdowns were more localized, digital collection through paytm/airtel had been activated, Micro Finance Institutions (MFIs) had been classified under essential service and so resultantly we had achieved collection efficiency of 91% in April 2021 despite of lockdown and restriction on employee movement. Further The RBI had taken the swift action has opened the restructuring window vide Resolution Framework 2.0 notification dated May 05, 2021 for NBFCs which will certainly benefit the Company.

The Company had taken adequate safety measures to protect its employees and also will ensure vaccination for its field staff on priority basis which will help company to continue its business operations with minimum disruption. The current provision made under impairment loss allowance with revised estimates seemed to be adequate. However, the Company will continue to closely monitor any material changes to future economic conditions due to the impact of pandemic.

67 Previous year figures
Previous year's figures had been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

For M. P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration No: 101851W

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

V P Nandakumar
Chairman
(DIN No.00044512)

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Date: September 22, 2023
Place: Pune

Rajesh KRN Namboodiripad
Chief Financial Officer

Aparna Menon
Company Secretary

Date: September 22, 2023
Place: Valapad

OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Financial Information as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, except as otherwise stated)

Particulars	As at and for the three months ended		As at and for the Financial Year ended		
	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Earnings per share					
- Basic (in ₹)(1)	5.99	(0.54)	12.84	0.87	1.01
- Diluted (in ₹)(2)	5.99	(0.54)	12.84	0.87	1.01
RoNW (%)(3)	6.25%	(0.82)	14.47%	1.30%	1.53%
Net Asset Value per share (in ₹)(4)	270.36	199.05	246.49	200.87	198.04
EBITDA(5)	3,882.17	1,411.74	9,747.44	6,274.92	4,991.68

Notes: *The ratios have been computed as under:*

1. *Basic earnings per share = Basic earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year;*
2. *Diluted earnings per share = Diluted earnings per share are calculated by dividing the net restated 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*
3. *Return on Net Worth (%) = net restated profit or loss for the year attributable to equity shareholders divided by average equity at the end of the year derived from Restated Financial Information*
4. *Net Asset Value per share = Total equity derived from the Restated Financial Information divided by number of Equity Shares outstanding as at the end of year.*
5. *EBITDA - Earnings before interest, taxes, depreciation, and amortisation. EBITDA is calculated as restated profit for the year plus total tax expenses, depreciation and amortisation expenses, and finance costs*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at https://asirvadmicrofinance.co.in/offer-document-related-fillings/

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the three months period ended June 30, 2023 and June 30, 2022 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, and as reported in the Restated Financial Information, see "*Restated Financial Information – Note 46*" on page 362.

Non-GAAP Measures

This section includes Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance (together, "Non-GAAP Measures" and each a "Non-GAAP Measure"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Ind AS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such 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 as they are widely used measures to evaluate a company's operating performance.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our "Restated Financial Information" on page 301. Unless otherwise indicated, the financial information herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. Unless stated otherwise, the figures for the three months ended June 30, 2022 and June 30, 2023 have been presented on an un-annualized basis and are not indicative of our Company's annual performance. Accordingly, these are not comparable with the figures for a complete Fiscal.

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 17 for a discussion of the risks and uncertainties related to those statements and also the sections "Risk Factors", "Industry Overview", "Restated Financial Information" and "Our Business" on pages 25, 124, 301 and 187, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, 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.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry" dated September, 2023 ("**CRISIL Report**") prepared and released by CRISIL and exclusively commissioned by and paid for by us pursuant to the appointment of CRISIL vide letter dated July 6, 2023, in connection with the Issue. The data included herein includes excerpts from the CRISIL Report, which is available on the website of the Company at https://asirvadmicrofinance.co.in/wp-content/uploads/2023/08/Industry_Report.pdf from the date of this Draft Red Herring Prospectus till the Bid/Issue Closing Date, and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 487. The industry data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL exclusively commissioned and paid for by us for such purpose." on page 45. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 15*

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year.

OVERVIEW

We are a non-banking finance company ("**NBFC**") - microfinance institution ("**MFI**") offering microfinance loans to low-income women, thereby promoting inclusive growth, through servicing and empowering an unbanked population who are socially and economically underprivileged.

We are the largest MFI in India in terms of geographic coverage as of March 31, 2023, with a presence in 450 districts (*Source: CRISIL Report*) in 22 States and four Union Territories, through our network of 1,684 branches, of which our microfinance loan portfolio covers 391 districts. We are the third largest MFI in India in terms of assets under management ("**AUM**") as of March 31, 2023, (*Source: CRISIL Report*) with microfinance loans comprising 92.59% of our AUM as of such date. In addition, we recorded the third highest number of borrowers as of March 31, 2023 among the top ten NBFC-MFI players in India in terms of AUM ("**MFI Peer Group**"), (*Source: CRISIL Report)* which includes 3.25 million active borrowers in our microfinance loan portfolio. As of March 31, 2023, our AUM was ₹ 100,408.93 million; within a small distance of our nearest competitor, which is placed second in terms of AUM. (*Source: CRISIL Report*) As of June 30, 2023, we had 1,738 branches overall, with 1,206 branches and 3.39 million active borrowers (being borrowers with an active loan account) in our microfinance loans segment. Our microfinance loans have a tenure of 24 months at origination and as of June 30, 2023, the average ticket size of our microfinance loans was ₹ 35,308.82.

In addition, we offer secured Loans against Gold and as of June 30, 2023, we had 0.10 million active borrowers in our Loan against Gold portfolio. Our AUM as of June 30, 2023 stood at ₹ 101,405.76 million, of which microfinance loans comprised ₹ 93,104.47 million, or 91.81%, and Loans against Gold comprised ₹ 7,895.77 million, or 7.79%. We also offer MSME Loans to small business owners and self-employed individuals. As of June 30, 2023, we had 1,415 active borrowers in our MSME Loan portfolio.

Over the years, we have rapidly scaled our operations while maintaining our asset quality. Our AUM has grown from ₹ 59,846.18 million as of March 31, 2021 to ₹ 70,021.83 million as of March 31, 2022 and further to ₹ 100,408.93 million as of March 31, 2023, at a CAGR of 29.53% between Fiscal 2021 and Fiscal 2023.

We commenced operations in 2008, with two branches in Tamil Nadu and have grown to become an MFI with a pan-India presence. Through our position as the most geographically diversified MFI in terms of districts present as of March 31, 2023, and second in terms of presence in states, (*Source: CRISIL Report*) we have focused on mitigating a key risk in the microfinance business, of regional concentration. From our total AUM being wholly-concentrated in Tamil Nadu when we commenced operations in 2008, only 14.94% of our microfinance loan AUM of ₹ 101,405.76 million as of June 30, 2023 was derived from the state, indicating our concerted efforts towards geographical diversification while simultaneously growing our business and loan portfolio over the years.

In terms of overall AUM concentration as well:

- our top three states contribute to 37.33% of our AUM; and
- our top five states contribute to 54.29% of our AUM;

each as of March 31, 2023. This amounts to the lowest AUM contribution from top three states among the MFI Peer Group. (*Source: CRISIL Report*)

From a geographic risk management policy, we are guided by Board-approved risk metrics and tolerance limits as part of our operations, which aim to limit our AUM exposure in a state to 10% of our total AUM and in each district, to 1% of our total AUM. We also limit our exposure to 5% of the estimated MFI market size within a state, as estimated by our Company, based on publicly available data if our total AUM is more than ₹ 100 million in that state. As we emerged out of the COVID-19 pandemic, noting the heightened credit demand from certain regions, our Risk Committee has ratified the breach of these exposure norms in specific instances. Nevertheless, as of June 30, 2023, only three states had exposure in excess of 10% of our microfinance loan AUM, and only seven districts had exposure in excess of 1%. Our commitment to maintaining diversified microfinance operations is evidenced by the fact that no single state contributes more than 14.94% of our microfinance loan AUM as of June 30, 2023, and no single district contributes more than 1.42%.

Our credit quality is a product of our robust risk management policies and practices. As a middle layer NBFC under the RBI's scale-based regulations with an asset size of more than ₹ 10,000 million, we are governed by and closely follow RBI's risk management framework. Our risk management division is divided into separate teams that are dedicated to managing and mitigating credit risk, market risk and operational risk, and which are subject to oversight by our vigilance department and Audit Committee and our Board. Our Risk Committee periodically reviews current and emerging risks, including regulatory, information technology, liquidity and other risks as stipulated under our risk management framework and suggests requisite risk assessment procedures and measurement of systems, establishes policies, practices and other control mechanisms to manage risks and develop risk tolerance limits. Our gross non-performing assets ("**Gross NPAs**") were 1.77%¸ 1.67%, 2.81%, 7.74% and 2.89% as of March 31, 2021, March 31, 2022, March 31, 2023 and as of June 30, 2022 and June 30, 2023, respectively, while our Net NPAs were 0.00%, 0.30%, 1.15%, 1.91% and 1.29%, as of such dates, respectively

We are one of the youngest NBFC-MFIs with a relatively strong credit rating of CRISIL 'AA-', (*Source: CRISIL Report*) which emphasizes our financial resilience, and enables us to borrow at competitive costs. Among the MFI Peer Group in India, we were the first MFI to be rated AA- by CRISIL, (*Source: CRISIL Report*) highlighting our legacy of financial performance. We were also the fastest MFI to receive the AA- rating, within a period of three years. (*Source: CRISIL Report*) We benefit from a large and diversified mix of lenders and as of June 30, 2023, we have 58 lending relationships, including borrowings availed from 33 banks, including eight public sector banks, nine foreign banks and 16 private banks, as well as 11 NBFCs and other financial institutions. Consequently, our average cost of borrowing in Fiscal 2021, 2022, 2023 and the three months ended June 30, 2022 and June 30, 2023 was 9.97%, 11.20%, 9.01%, 2.59% and 2.65%, respectively, while our incremental cost of borrowing in the same periods were 9.90%, 9.35%, 9.35%, 7.66% and 9.75%, respectively. We had the second lowest cost of borrowing among the MFI Peer Group in Fiscal 2023. (*Source: CRISIL Report*)

We are a digitally enabled MFI with automated loan processing capability from borrower onboarding to disbursement that includes borrower credentials validation through real time integrated application programming interfaces ("**APIs**"). We have enabled real-time integration with credit bureaus to perform analysis of borrower tradeline reports for quicker decision making in loan processing. Our digitized loan process with cashless disbursements aims to minimize fraud and theft, and ensure reduced turnaround time. In the three preceding Fiscals and the three months ended June 30, 2023, 100.00% our borrowers were onboarded digitally, and all disbursements to such borrowers were cashless. We generate real-time reports to analyse and monitor disbursements, collections and overall productivity of field officers, as well as a workforce management system to track the movement of field development assistants ("**FDAs**"). We have implemented a key analytics platform that provides real-time MIS reports, enabling us to make better informed decisions and adopt efficient processes.

Our growth has been encouraged by our Promoter, MAFIL, a listed NBFC primarily engaged in offering loans against gold in India. As a subsidiary of MAFIL, we are able to leverage the "Manappuram" brand and their established credentials. While our operations are independent from those of our Promoter, we benefit from management guidance, as four members of our Board of Directors are also on the board of directors of MAFIL. Our Managing Director and several members of our senior management have previously held positions at MAFIL. Our Promoter's support is valuable towards our continued improvement governance practices, operations, IT support, legal and compliance functions and in maintaining high credit rating. Following the acquisition of our Company by our Promoter, our AUM grew at a CAGR of 52.57% between Fiscal 2015 and Fiscal 2023. (*Source: CRISIL Report*)

In course of the three preceding Fiscals, including through the COVID pandemic period, we have added 620 branches and 27,779 employees, thereby creating capacity for scaling up our business. While the cost of these new branches and additional employees are reflected in our results of operations for Fiscal 2023 and the three months ended June 30, 2023, we believe that these will provide operational leverage and heightened productivity as these branches mature. For further information, see "- *Our Competitive Strengths - Third largest MFI in terms of AUM, with scalable operations, well positioned to capture industry tailwinds and controlled ticket sizes compared to peers*" on page 192.

We have ESG-focused operations and are led by qualified and experienced management personnel. Our Board is also duly supported by robust committees, including the Asset Liability Management Committee, Audit Committee, Risk Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. In the interest of maintaining robust corporate governance, our management is guided by our Board of Directors comprising 13 directors, which also includes eight independent directors who have diversified experience in the fields of finance, microfinance, credit rating, legal, human resources, public administration, among others. Our Key Managerial Personnel and Senior Management Personnel include management executives who bring in significant hands on operations and business experience, which positions us well to capitalize on future growth opportunities.

We have demonstrated sound financial performance. In Fiscal 2023, we stood second in terms of year-on-year growth and posted a strong profit after tax growth among the MFI Peer Group, (*Source: CRISIL Report*) with profit after tax of ₹ 139.20 million and ₹ 2,234.28 million in Fiscal 2022 and Fiscal 2023, respectively. In Fiscal 2023, we had the third highest return on equity and the fourth highest return on assets among the MFI Peer Group, (*Source: CRISIL Report*) at 17.09% and 2.63%, respectively.

The following table sets out certain significant financial and operational parameters in the relevant periods:

Particulars	**As of / For the Year Ended March 31,**			**As of / For the Three Months Ended June 30,**	
	2021	**2022**	**2023**	**2022***	**2023***
AUM (₹ million)(1)	59,846.18	70,021.83	100,408.93	70,125.32	101,405.76
- AUM – Microfinance loans (₹ million)	59,408.76	66,529.78	92,972.07	65,460.84	93,104.47
- AUM – Loans against Gold (₹ million)	25.34	3,005.69	7,053.20	4,208.14	7,895.77
- AUM – MSME Loans (₹ million)	412.08	486.36	383.66	456.33	405.52
On-books Portfolio (₹ million)(2)	51,266.02	57,556.93	89,776.25	58,503.81	85,309.11
Securitized assets (₹ million)(3)	8,580.16	12,464.90	10,632.68	11,621.51	16,096.65
Net Worth (₹ million)(4)	10,557.63	10,708.49	15,440.08	10,611.51	18,049.23
Net Interest Income (₹ million)(5)	5,000.88	6,202.39	9,153.91	1,876.14	3,564.90
Pre Provision Operating Profit (₹ million)(6)	3,295.98	4,262.86	5,846.10	1,078.17	2,567.41
Provisions against impairment of financial instruments (₹ million)	3,414.49	3,537.44	2,515.49	4,724.19	2,166.50
Profit Before Tax (₹ million)	297.90	194.64	3,109.26	(108.59)	1,606.82
Profit/ (Loss) After Tax for the period/ year (₹ million)	161.01	139.30	2,234.28	(86.92)	1,127.25
Total borrowings (₹ million)(7)	46,741.68	55,587.61	84,260.95	51,993.70	79,410.95
Total assets (₹ million)(8)	58,499.54	68,236.74	101,915.88	64,797.09	100,822.68
Yield on Average On-books Loan Portfolio (%)(9)	19.46%	21.57%	20.42%	5.50%	6.44%
Average cost of borrowing (%)(10)	9.97%	11.20%	9.01%	2.59%	2.65%
Average Ticket Size – Microfinance loans (₹)(11)	28,987.36	30,549.24	37,197.33	40,249.26	35,308.82
Average Ticket Size – Loans against Gold (₹)(12)	63,478.26	66,210.76	66,508.12	64,464.74	72,334.99
Gross disbursements – Microfinance loans (₹ million)(13)	35,697.50	51,869.04	83,973.30	10,983.66	18,143.19
Debt to Equity Ratio(14)	3.37	4.45	5.10	4.56	4.00
Cost to Income Ratio(%)(15)	46.81%	49.20%	48.24%	51.42%	40.91%
Return on Total Assets (%)(16)	0.27%	0.22%	2.63%	(0.13)%	1.11%
Return on Equity (%)(17)	1.54%	1.31%	17.09%	(0.82)%	6.73%
Number of Branches(18)	**1,062**	**1,525**	**1,684**	**1,540**	**1,738**
- Exclusive Branches – Microfinance loans(19)	1,025	1,203	1,206	1,203	1,206
- Exclusive Branches – Loan against Gold(20)	21	305	178	320	221
- Exclusive Branches – MSME Loans(21)	16	17	17	17	17
- Hybrid Branches(22)	-	-	283	-	294
Number of active borrowers(23)	**2,409,908**	**2,573,902**	**3,340,185**	**2,598,569**	**3,494,877**
- Number of active borrowers – Microfinance loans(24)	2,408,503	2,537,031	3,245,210	2,547,603	3,388,555
- Number of active borrowers – Loans against Gold(25)	389	35,592	93,763	49,708	104,907
Number of FDAs – microfinance loans	4,745	7,536	8,736	7,594	8,875
Number of on-roll employees(26)	7,570	12,609	15,874	12,551	16,034
Gross NPA Ratio (%)(27)	1.77%	1.67%	2.81%	7.74%	2.89%
Net NPA ratio (%)(28)	0.00%	0.30%	1.15%	1.91%	1.29%

Particulars	As of / For the Year Ended March 31,			As of / For the Three Months Ended June 30,	
	2021	2022	2023	2022*	2023*
Provision Coverage Ratio (%)[29]	99.80%	82.19%	59.86%	76.76%	56.03%
Capital Adequacy Ratio (%)	22.93%	20.24%	20.03%	19.26%	23.12%
Tier I Capital (%)	19.24%	15.84%	15.58%	15.40%	17.84%
Tier II Capital (%)	3.68%	4.40%	4.45%	3.86%	5.27%

** Unannualized figures.*

Notes:

(1) AUM represents aggregate of On-books Loan Portfolio and assets pertaining to direct assignment and securitisation as of the last day of the relevant period.

(2) On-books Portfolio represents aggregate of future principal outstanding, principal overdue held in our books as on the last day of the relevant period.

(3) Securitized assets represents aggregate of future principal outstanding and principal overdue outstanding, for loan assets which have been transferred by our Company by way of securitization (including the minimum retention requirement portion retained in the books) and outstanding as of the last day of the relevant period.

(4) Net Worth represents the sum of equity share capital and other equity as of the last day of the relevant period.

(5) Net Interest Income represents interest income less finance costs, for the relevant period.

(6) Pre Provision Operating Profit represents the sum of profit for the relevant period and impairment on financial instruments for such period.

(7) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and collateralised borrowing principal outstanding as of the last day of the relevant period.

(8) Total Assets represents total assets as of the last day of the relevant period.

(9) Yield on Average On-books Loan Portfolio represents the ratio of interest income on loan assets for a period to the average On-books Loan Portfolio for the period, expressed as a percentage.

(10) Average Cost of Borrowings represents finance cost (including collateralized borrowings) for the relevant period as a percentage of Average Borrowings in such period. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant period and our Total Borrowings outstanding as of the last day of the previous period.

(11) Average ticket size – microfinance loans represents microfinance loan amounts disbursed during the relevant period, divided by the number of loans.

(12) Average ticket size – Loans against Gold represents Loan against Gold amounts disbursed during the relevant period, divided by the number of loans.

(13) Gross disbursements – Microfinance Loans represents the aggregate of all Microfinance loan amounts extended to our borrowers in the relevant period.

(14) Debt to equity ratio represents our total borrowings less cash and cash equivalents divided by total equity attributable to shareholders as of the last day of the relevant period. Total borrowings represents the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant period.

(15) Cost to Income Ratio represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total income less finance costs for the relevant period.

(16) Return on Total Assets is calculated as the profit after tax for the relevant period as a percentage of Average Total Assets in such period.

(17) Return on Equity is calculated as the profit after tax for the relevant period as a percentage of Average Net Worth in such period.

(18) Number of branches represents the aggregate number of branches of our Company as of the last day of relevant period. As of June 30, 2023, this includes 294 branches that are used in a hybrid model for both microfinance loans and Loans against Gold; four branches that are used for MSME Loans as well as microfinance loans; and two branches that are used for MSME Loans as well as Loans against Gold.

(19) Exclusive Branches – Microfinance loans represents the aggregate number of branches of our Company that are uniquely used for microfinance loans. This does not include any branch that is used in a hybrid model with the Loan against Gold portfolio of our Company.

(20) Exclusive Branches – Loan against Gold represents the aggregate number of branches of our Company that are uniquely used for Loans against Gold. This does not include any branch that is used in a hybrid model with the microfinance loan portfolio of our Company.

(21) Exclusive Branches – MSME Loans represents the aggregate number of branches of our Company that are uniquely used for our MSME Loans. This does not include any branch that is used in a hybrid model with any other portfolio of our Company. However, these include branches shared with our Promoter. As of June 30, 2023, six branches were shared with our Promoter.

(22) Hybrid Branches represent those branches of our Company that are used in a hybrid model for both microfinance loans and Loans against Gold.

(23) Number of active borrowers refers to our borrowers who had an active loan account as of the last day of the relevant period. The total provided here also includes MSME Loan borrowers in the applicable periods.

(24) Number of active borrowers – microfinance loans refers to our microfinance loan borrowers who had an active Microfinance loan account as of the last day of the relevant period.

(25) Number of active borrowers - Loan against Gold refers to our Loan against Gold borrowers who had an active Loan against Gold account as of the last day of the relevant period.

(26) Number of on-roll employees represents aggregate number of employees of our Company as of the last day of relevant period.

(27) Gross NPA Ratio (%) represents the Gross NPA to the On-books Loan Portfolio as of the last day of the relevant period. Gross NPA represents On-books Loan Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.

(28) Net NPA Ratio (%) represents Net NPA to On-book Portfolio reduced by ECL on NPAs as of the last day of the relevant period. Net NPA represents Gross NPA reduced by NPA provision made against these loans as of the last day of relevant reporting period.

(29) Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Growth and performance of the Indian microfinance industry

The microfinance industry is typically heavily impacted and will continue to be impacted by sociopolitical and economic developments in India. As an NBFC-MFI, we are in turn impacted by the overall performance of the microfinance industry.

The MFI industry gross loan portfolio is expected to log 16% CAGR between Fiscal 2023 and Fiscal 2026, in which period NBFC-MFIs are expected to gain market share in the medium term with a healthy double-digit CAGR of 22%. (*Source: CRISIL Report*) Rural areas account for 65% share in NBFC-MFI portfolio outstanding as of June 2023 and CRISIL expects the overall microfinance industry to grow approximately 18% year-on-year in Fiscal 2024 and a further 15% in Fiscal 2025. (*Source: CRISIL Report*) This overall increase in market size has contributed to the growth of our business over the last few years. Going forward, CRISIL believes that the microfinance industry will continue to see strong growth due to the Government of India’s continued focus on strengthening the rural financial ecosystem, robust credit demand, and bigger-ticket loan disbursals. (*Source: CRISIL Report*)

However, certain events in the past have disrupted the growth of the microfinance industry and adversely impacted the overall industry's disbursements as well as repayment and collection efficiency rates. For example, in November 2016, the Indian government announced the demonetization of bank notes of ₹ 500 and ₹ 1,000. Subsequently, the outbreak of the COVID-19 pandemic has impacted our business and the microfinance industry. Due to the COVID-19 pandemic, our collection efficiency decreased and our level of write-offs increased. Similarly, there have been localised events such as the floods in Kerala in 2018 and 2019, the cyclone in Tamil Nadu in 2019 and the floods in Odisha in 2022. While we have been able to navigate through such disruptions owing to our geographical diversification, large-scale or pan-India events of this nature may have ramifications on the microfinance industry as well as on our results of operations.

Key macroeconomic factors that may affect the Indian economy and, in turn, demand for our products and the quality of our loan portfolio include, among others, (i) demographic conditions and population dynamics, (ii) economic development, shifting of wealth and employment rates, (iii) political measures and regulatory developments, such as tax incentives and general political stability, (iv) fiscal and monetary dynamics, such as volatility in interest rates, foreign exchange rates and inflation rates, and (v) political and regulatory developments on the Indian economy.

More particularly, our borrowers comprise women from low-income households with limited sources of income and credit histories. Our microfinance loans are also not backed by collateral. Such borrowers generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions, natural calamities and macroeconomic downturns. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans. As a result, our financial condition and results of operations are also influenced by the general economic conditions and particularly macroeconomic conditions in India and liquidity in the microfinance industry.

Maturity trends of our branches and borrowers

We have witnessed significant growth in the three preceding Fiscals and the three months ended June 30, 2023. Set forth below are certain details regarding the growth in our branches and borrowers in these periods:

Particulars	As of/ For the Year Ended March 31,			CAGR (March 31, 2021 – March 31, 2023)	As of/ For the Three Months Ended June 30,	
	2021	2022	2023		2022	2023
Number of loans disbursed	1,232,973	2,202,606	3,888,530	77.59%	634,919	930,209
Number of active borrowers(1)	2,409,908	2,573,902	3,340,185	17.29%	2,598,569	3,494,877
Number of branches(2)	1,062	1,525	1,684	25.92%	1,540	1,738

Notes:

(1)Number of active borrowers refers to our borrowers who had an active loan account as of the last day of the relevant period.

(2)Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.

In addition, set forth below are certain productivity trends for our exclusive microfinance loan and Loan against Gold:

Vintage#	Exclusive Microfinance Loan Branches			Exclusive Loan Against Gold Branches			Total	
	AUM (₹ million)	Number of Branches	AUM per Branch (₹ million)	AUM (₹ million)	Number of Branches	AUM per Branch (₹ million)	AUM (₹ million)	Number of Branches
Before Fiscal 2020	78,887.14	1,023	77.11	-	-	-	78,887.14	1,023
Fiscal 2020 – Fiscal 2021	257.46	4	64.37	159.48	5	31.90	416.94	9
Fiscal 2021 – Fiscal 2022	9,378.90	177	52.99	1,749.40	81	21.60	11,128.30	258
Fiscal 2022 – Fiscal 2023	32.15	2	16.08	603.04	81	7.44	635.19	83
Fiscal 2023 – Fiscal 2024	0.00	0	0.00	81.08	54	1.50	81.08	54
Total	**88,555.66**	**1,206**	**73.43**	**2,593.00**	**221**	**11.73**	**91,148.66**	**1,427**
Hybrid (MFI and Gold)	**4,548.81(2)**	**294**	**15.47**	**5,302.77(3)**	**294**	**18.04**	**9,851.58**	**294**
Grand Total(1)	**93,104.47**	**1,500**	**62.07**	**7,895.77**	**515**	**15.33**	**101,000.24**	**1,721**

Note:

(1) The total here does not include MSME Loan AUM and MSME Loan Branches. As of June 30, 2023, including MSME Loan AUM of ₹ 405.52 million and 17 MSME Loan branches, the overall AUM is ₹ 101,405.76 million and the number of branches is 1,738. Certain Gold Loan Branches are converted into hybrid branches (Loan against Gold and microfinance loan) based on business requirements.

(2) Represents the total microfinance loan AUM derived from all hybrid branches.

(3) Represents the total Loan against Gold AUM derived from all hybrid branches.

 # Represents date of commencement of operations at the branch.

As demonstrated above, as our branches mature, they demonstrate a trend of increasing profitability, as they gain acceptance locally and attract additional borrowers. However, a substantial number of our branches have not matured, and have accordingly not benefitted from their vintage. As these recent branches mature, their productivity is expected to demonstrate similar trends as our more mature branches, leading to improved results of operations.

In addition, our Loan against Gold branches are typically more capital-intensive to establish, owing to factors such as heightened security requirements. We strategically intend to transition an increasing number of exclusive Loan against Gold branches into hybrid branches, to be shared with our microfinance loan portfolio. As of June 30, 2023, we had 294 branches which were used as hybrid branches for both our microfinance loan and Loan against Gold portfolio. The AUM per branch for these hybrid branches as of June 30, 2023 was ₹ 33.51 million, with microfinance loan AUM being ₹ 15.47 million per hybrid branch and Loan against Gold AUM being ₹ 18.04 million per hybrid branch. For a breakdown of the contribution of our microfinance loan portfolio and our Loan against Gold portfolio to the AUM per branch of the hybrid branches, see "*Selected Statistical Information*" on page 269. As an increasing number of exclusive Loan against Gold branches also commence microfinance loan operations without additional capex, productivity at such branches is expected to demonstrate similar trends as our more mature branches, leading to improved results of operations.

A similar trend in terms of ticket sizes is also demonstrated among borrowers. In our experience, as borrowers complete loan cycles and benefit from the loans availed, they are able to avail loans of higher ticket sizes to aid business ventures and finance entrepreneurial endeavours. As of June 30, 2023, 47.50% of our microfinance loan borrowers are in their first cycle with us. This provides significant growth potential for our substantial base of first cycle borrowers to enter into subsequent cycles, with higher ticket sizes and consequent higher productivity.

As we further increase our loan portfolio and expand our operations, we expect to derive benefits from economies of scale, which we believe will assist us in optimizing our operating expenses. We expect to derive scale and cost benefits, as there is no incremental sourcing cost for existing borrowers and they may be eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles. We focus on the retention of existing clients by timely disbursement of loans and also on acquiring new clients by leveraging our existing and new branch infrastructure. We also continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies. Given the recent growth in our portfolio, we expect to be able to benefit from maturity in our branches and borrowers in the near future, which is likely to impact our financial condition and results of operations.

Ability to manage finance costs and fluctuations in interest rates

Our results of operations depend substantially on our Net Interest Income and our ability to maintain and improve our Net Interest Margin. The differential between the interest rates that we charge on interest-earning assets and the interest rates that we pay on interest bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. 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 and also affect the value of our investments. Declining interest rates may lead to increased prepayments and repricing of our loans as borrowers seek to take advantage of the more attractive interest rate environment to reduce their borrowing costs. Declining interest rates may also lead to a greater demand for additional borrowings as business owners seek to take advantage of lower interest rates, resulting in an increase in volume of financing business. Conversely, when interest rates rise, there are typically less prepayments and less pressure to reprice loans; there is also less demand for new funds, resulting in a decrease in volume of our financing activities. In a rising interest rate scenario, our profit margins are therefore primarily dependent on our ability to attract new business, either through existing borrowers or new borrowers, than it is in a declining interest rate scenario. In addition, changes in interest rates also affect the interest rates we pay on our interest-bearing liabilities. Varying maturity periods applicable to our interest bearing assets and interest-bearing liabilities and a consequent change in interest rates may result in an increase in interest expense relative to interest income leading to a reduction in our interest income from financing activities. See "*Risk Factors - Our business is vulnerable to interest rate risk. 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*" on page 27.

The table below sets for certain details regarding our borrowings and costs thereof, in the corresponding periods:

Particulars	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages and ratios)				
Interest Income[(1)]	9,576.29	11,930.32	15,452.38	3,270.37	5,737.12
Finance Cost	4,575.41	5,727.93	6,298.47	1,394.23	2,172.22
Net Interest Income[(2)]	5,000.88	6,202.39	9,153.91	1,876.14	3,564.90
Net Interest Margin (%)[(3)]	8.71%	9.55%	10.74%	2.68%	3.53%
Average Cost of Borrowings (%)[(4)]	9.97%	11.20%	9.01%	2.59%	2.65%

Notes:

(1) Interest Incomes include interest on loans and interest on deposit from banks.

(2) Net Interest Income represents Interest Income less Finance Costs, for the relevant period.

(3) Net Interest Margin represents our net interest income on the loans for a period to the average AUM for the period, represented as a percentage.

(4) Average Cost of Borrowings represents finance cost (including collateralized borrowings) for the relevant period as a percentage of Average Borrowings in such period. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant period and our Total Borrowings outstanding as of the last day of the previous period.

Our finance costs are dependent on various external factors, including Indian and global credit markets and, in particular, interest rate movements and adequate liquidity in the debt markets. In addition, we will need to maintain our finance costs and acquire funding at competitive interest rates that allow us to lend sustainability. Our ability to continue to meet borrower demand for new loans will depend primarily on our ability to borrow from various external sources on suitable terms and in a timely manner.

Our funding sources are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for funding. We believe we have the ability to access borrowings at a competitive cost due to our high credit ratings, conservative risk management policies and brand equity. We are one of the youngest NBFC-MFI players with a relatively strong credit rating of CRISIL 'AA-' and were the first to receive the 'AA-' rating. (*Source: CRISIL Report*) This indicates our financial resilience, and enables us to avail borrowings at competitive costs. For further information in relation to our borrowings, see "*Financial Indebtedness*" on page 418. Our results of operations will be determined by the rates at which we are able to access funds, the interest rates we are able to charge our borrowers, and the extent to which we are able to offset the former through the latter.

Asset quality, NPAs and provisioning requirements

Our ability to manage the credit quality of our loans, which we measure in part through NPAs, is a key driver of our results of operations. Credit quality is the outcome of the credit appraisal mechanism and recovery system followed by us. Our target borrower segment for microfinance loans comprise women, with an annual household income of up to ₹ 300,000 and we undertake due diligence to ensure that the household debt repayment commitments of the borrower is not more than 50% of the income. These borrowers generally have limited sources of income and credit histories, and may not have tax returns, bank or credit card statements, statements of previous loan exposures, or other documents through which we can accurately assess their credit worthiness. As a result, such borrowers may pose a higher risk of default than borrowers with greater financial resources and more established credit histories, or those with better access to education, employment opportunities and social services. Since these advances are unsecured, in the event of defaults by such borrowers, our ability to realise the amounts due to us would be restricted to initiating legal proceedings against such borrowers for recovery. Thus, due to the nature of our borrowers, we may experience increased levels of NPAs and related provisions and write-offs. Our credit quality is also susceptible to external events that impact the industry as a whole, such as the COVID-19 pandemic.

The following table illustrates our asset quality ratios as of the dates indicated:

	As of/ For the Year Ended March 31,			As of/ For the Three Months Ended June 30,	
	2021	2022	2023	2022*	2023*
	(₹ million, except percentages and ratios)				
Gross NPAs(1)	908.68	960.80	2,519.07	4,529.78	2,468.87
Gross NPA Ratio (%)(2)	1.77%	1.67%	2.81%	7.74%	2.89%
NPA Provision(3)	906.86	789.68	1,507.94	3,477.13	1,383.25
Net NPAs(4)	1.82	171.12	1,011.13	1,052.65	1,085.62
Net NPA ratio (%)(5)	0.00%	0.30%	1.15%	1.91%	1.29%
Bad Debts Write-off(6)	1,434.61	3,945.28	1,120.59	-	515.26
Write-offs, as a percentage of on-books loan portfolio (%)	2.80%	6.85%	1.25%	0.00%	0.60%

Notes:

(1) Gross NPA represents On-books Loan Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset Classification and Provisioning Norms issued and modified by RBI from time to time.

(2) Gross NPA Ratio (%) represents the Gross NPA to the On-books Loan Portfolio as of the last day of the relevant period.

(3) NPA provision represents total Expected Credit Loss allowance on Stage 3 Loans held in the books as of the last day of the relevant period.

(4) Net NPA represents Gross NPA reduced by NPA provisions as of the last day of relevant period.

(5) Net NPA Ratio (%) represents Net NPA to On-book Portfolio reduced by ECL on NPAs as of the last day of the relevant period.

(6) Bad Debts Write-off includes bad debts written off during the relevant periods.

Our asset quality is dependent upon our credit appraisal processes and recovery mechanisms. With the growth of our business, our ability to manage the quality of our loans through risk management measures will be a key driver to our results of operations, as quality loans help reduce the risk of losses from loan impairment and write-offs.

We address risk at both macro and micro levels. Our macro-level risk mitigation measures include detailed geographical exposure limits to avoid regional adversities. To avoid concentration risks to our portfolio, we have self-imposed exposure norms, which aim to limit our AUM exposure in a state to not more than 10% of our total AUM and in each district, to not more than 1% of our total AUM. Further, our Board has adopted a policy through which we seek to limit our exposure to 5% of the estimated MFI market size within a state, as estimated by our Company based on publicly available data. At an operational level, our borrower due diligence procedures encompass multiple levels of checks and controls designed to assess the quality of borrowers and to confirm that they meet our stringent selection criteria, and include comprehensive evaluation of repayment capacity and detailed cash flows analysis of the borrower as well as thorough group training sessions and knowledge testing. We utilize credit bureau data to verify borrower details and obtain information on past credit behavior. Further, we closely track our onboarding, disbursement, collection and delinquency positions. We believe these measures have helped us control our NPA levels.

Our ability to reduce or contain the level of our NPAs is also dependent on a number of factors beyond our control, such as increased competition, adverse effect on the business and results of operations of our borrowers, a rise in unemployment, a sharp and sustained rise in interest rate, slow industrial and business growth, changes in borrower behavior and demographic patterns, central and state government decisions and changes in regulations. Additionally, certain provisioning norms are applicable to NBFCs, under applicable accounting standards and directions issued by the RBI. Any increase in the level of final credit losses or an inability to maintain our asset quality may adversely affect our NPA levels and require us to increase our provisions and write-offs.

Government policy and regulation

The microfinance industry is highly regulated. As an NBFC-MFI, we will continue to be affected by a number of regulations promulgated by the RBI that regulate, among other things, NPA and provisioning norms, capital adequacy norms and other lending stipulations and other operational restrictions. For information on the changing laws and regulations governing the financial services industry in India and laws and regulations in applicable to us generally, see "*Key Regulations and Policies*" on page 221. For instance, the RBI in 2020 imposed imposition of a moratorium on the payment of all principal amounts and interest falling due between March 1, 2021 and August 31, 2021 as a response to the COVID-19 pandemic, which affected our collections and operations. On the other hand, in March 2022, the RBI introduced certain key changes governing MFIs. These include: (i) removal of pricing caps on microfinance loans, and allowing underwriting of loans on a risk-based analysis, creating parity with lenders such as banks in terms of potential interest rates being charged, (ii) increasing the annual household income level for microfinance loan eligibility to ₹ 300,000 from the erstwhile caps, thereby increasing the market size for MFIs, and (iii) reducing the minimum requirement of microfinance loans to 75% of total assets of an MFI, compared to 85% previously. These changes are expected to allow the microfinance industry to grow at a faster and more sustainable pace, while including more borrowers within its fold. We have also been able to leverage these changes to focus on our non-MFI portfolio, add new borrowers and price loans more strategically. Similarly, we may be susceptible to change in regulations that limit the extent to which we are able to engage in non-microfinance lending. While we offer Loans against Gold presently, and as of June 30, 2023, our Loan against Gold portfolio only comprises 7.79% of our AUM, it is our key secured product. Accordingly, our secured exposure is dependent on our ability to continue to offer Loans against Gold or other secured portfolios.

Any change in the regulatory framework affecting NBFC-MFIs, and in particular those requiring to maintain certain financial ratios, accessing funds or lending to NBFC-MFIs by banks among others including priority-sector lending norms, would affect our results of operations and growth. Our ability to function in this environment will depend on our ability to constantly monitor and promptly react to legislative and regulatory changes.

BASIS OF PREPARATION AND PRESENTATION OF RESTATED FINANCIAL INFORMATION

The Restated Financial Information comprises the Ind AS Restated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2022, March 31, 2023, June 30, 2022 and June 30, 2023, the Restated Ind AS Statement of Profit and Loss (including other comprehensive income), the Restated Ind AS Statement of Cash Flows, the Restated Ind AS Statement of Changes in Equity for the years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the three month periods ended June 30, 2022 and June 30, 2023, the Statement of Significant Accounting Policies and other explanatory notes thereto, which have been prepared specifically for inclusion in the DRHP to be filed by the Company with the SEBI, in connection the Offer.

The Restated Financial Information have been prepared to comply in all material respects with the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended;

(ii) Relevant provisions of the SEBI ICDR Regulations, issued by the SEBI, as amended; and

(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) as amended.

These Restated Financial Information have been compiled from the:

(i) Audited special purpose interim Ind AS financial statements of the Company as at and for the three month period ended June 30, 2023, prepared in accordance with Indian Accounting Standard (Ind AS) 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;

(ii) Audited Ind AS financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with the 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;

(iii) Audited special purpose interim Ind AS financial statements of the Company as at and for the three month period ended June 30, 2022 prepared in accordance with Indian Accounting Standard (Ind AS) 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;

(iv) Audited Ind AS financial statements of the Company as at and for the year ended 31 March 2022 prepared in accordance with the 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

(v) Audited special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with Ind AS 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

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 our Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II, which is also the management's estimates of useful lives of such assets.

Asset class	Useful Life
Furniture and Fixtures including Electrical fittings	10
Leasehold Improvements	5
Office Equipment	5
Vehicles	8
Computers and others	3

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

Investment Property

Initial recognition and measurement

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. The cost of investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, our Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

De-recognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the period in which the property is derecognised.

Intangible assets

Initial recognition and measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation method, useful lives and residual value)

Intangible assets are amortised over a period of three years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost.

Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when our Company demonstrate following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- our Company intends to and has sufficient resources to complete the project;
- our Company has the ability to use or sell such intangible asset; and
- the asset will generate probable future economic benefits.

Revenue recognition

Interest and processing fee income on loans

Interest income for all financial instruments measured at amortised cost, is recorded using the effective interest rate ("**EIR**"). 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 period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

Our Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit impaired financial assets regarded as 'Stage 3', our Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired, our Company reverts to calculating interest income on a gross basis.

Overdue interest is recognized only when it is reasonably certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Referral income

Income from cross sale services is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

Interest on fixed deposits

Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable using the EIR method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/ collection.

Finance cost

Finance cost consists of interest and other cost that our Company incurred in connection with the borrowing of funds. All other finance costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards ("**ICDS**") prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in

OCI or directly in other equity. Our Company 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.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Employee Benefits

Defined contribution plan

Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the statement of profit and loss in the period in which the related employee services are rendered. Our Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

Gratuity

The liability recognised in the restated balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences

Our Company provides benefit of compensated absences under which unveiled leave are allowed to be accumulated to be availed in future. The compensated absences comprises of both vesting and non-vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on our Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if our Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

Our Company has formulated an Employees Stock Option Scheme. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

Impairment of non-financial assets

At each reporting date, our Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, our Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Impairment of financial assets

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 ("**12m ECL**").

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on a collective basis for identified homogenous pool of loans.

Loan assets

Our Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date

The ECL is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

- The Probability of Default ("**PD**") represents the likelihood of a borrower defaulting on its financial obligation over the remaining lifetime (Lifetime PD) of the obligation.

- Loss Given Default ("**LGD**") represents our Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

- Exposure at Default ("**EAD**") is based on the amounts our Company expects to be owed at the time of default. Management overlay is included in determining the lifetime ECL. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, our Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, our Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, our Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, our Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. Our Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-off

Financial assets are written off either partially or in their entirety only when our Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. Our Company nets off the balance of bank overdraft with cash and cash equivalents for cash flow statement.

Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of our Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

Leases

Our Company as a lessee

Our Company's lease asset classes primarily consist of leases for office premises. Our 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. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. To assess whether a contract conveys the right to control the use of an identified asset, our Company assesses whether:

- the contract involves the use of an identified asset
- our Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- our Company has the right to direct the use of the asset.

At the date of commencement of the lease, our Company recognises a right-of-use asset ("**ROU**") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, our Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use 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.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if our Company changes its assessment if whether it will exercise an extension or a termination option.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that our Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- Amortized cost;
- Fair Value Through Other Comprehensive Income ("**FVTOCI**") or
- Fair Value Through Profit or Loss ("**FVTPL**").

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

<u>Financial asset carried at amortised cost</u>

A financial asset is measured at the amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- 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 EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit and loss. Non-performing financial assets are carried at amortised cost in the financial statement.

<u>Financial assets carried at FVTOCI</u>

A financial asset is measured at FVTOCI if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVTOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

<u>Financial assets carried at FVTPL</u>

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from our Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- our Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) our Company has transferred substantially all the risks and rewards of the asset, or (ii) our Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When our Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, our Company continues to recognise the transferred asset to the extent of our Company's continuing involvement. In that case, our 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 our 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 that our Company could be required to repay.

Financial liabilities

Initial recognition and measurement

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. Our Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

Classification and subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the statement of profit and loss.

Derecognition

A financial liability is de-recognised 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there are 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.

Derivative financial instruments

Our Company enters into derivative financial instruments, cross currency swaps, to manage its borrowing exposure to foreign exchange.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, our Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, our Company formally designates and documents the hedge relationship to which our Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes our Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how our Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge Accounting

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as Finance Cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Segment reporting

Our Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. Our Company operates in a single geographical segment i.e. domestic.

Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) our Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Foreign currency

Functional and presentation currency

Items included in the financial statement of our Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements have been prepared and presented in Indian Rupees, which is the Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non- monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

Securitisation and direct assignment

The securitised assets where our Company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall not be de-recognized and proceeds received from securitisation shall be recognised as borrowings and interest thereon shall be recognised as finance cost.

The direct assignment transaction where our Company has transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall be de-recognized. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscals 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, except as set forth below:

Fiscal 2023

During the quarter ended June 30, 2022, our Company started recognizing the revenue on the gross credit impaired portfolio net off provision harmonious with the requirements of Ind-AS 109 which was being recognized on actual receipt basis till March 31, 2022, thereby aligning our accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with our Promoter's accounting policy. Accordingly, as per para 14 (b) of Ind-AS 8, our Company has retrospectively changed the policy to reflect the above changes in the financial results, thereby providing reliable and more relevant information about the Company's financial position, financial performance, or cash flows.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises our revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises: (i) interest income; (ii) net gain on derecognition of financial instruments under amortised cost category; (iii) dividend income and gain on sale of mutual fund; and (iv) other operating income.

Interest Income: Our interest income comprises primarily (i) interest income from loan: interest on loan-microfinance loans, and interest on loan- Gold and MSME loans; (ii) interest on deposits with banks and financial institutions; and (iii) other interest income.

Net gain on derecognition of financial instruments under amortised cost category: Our net gain on derecognition of financial instruments under amortised cost category comprise of net gain on derecognition of financial instruments under amortised cost category which is generated through direct assignment transactions where the derecognition criteria as per Ind AS 109 is satisfied, including for transactions of substantially all the risks and rewards relating to assets being transferred to the buyer, the assets are derecognized. Income from assignment transactions, *i.e.*, present value of excess interest spread is recognized and presented under this item.

Other operating income: Our other operating income primarily comprises recoveries from written off accounts, *i.e.*, loss assets recovered.

Other income

Our other income primarily comprises (i) referral fee on product loans; and (ii) miscellaneous income which includes collection (servicer) fee on assignment transactions and security charges on gold loan among others.

Expenses

Our expenses comprise: (i) finance cost; (ii) impairment of financial instruments; (iii) employee benefit expense; (iv) depreciation and amortisation expense; and (v) other expenses.

Finance costs

Our finance costs comprise (A) interest on borrowings; (B) interest on interest on debt securities; (C) other interest expense which includes interest on finance lease obligations; and (D) other borrowings costs which includes loan processing fees and bank charges.

Impairment of financial instruments

Impairment on financial instruments comprises loans, i.e., provision against impairment of financial assets, bad debts written and loss on recognition of assets.

Employee benefit expenses

Our employee benefit expenses comprises salaries, and wages; contribution to provident and other funds including employees' provident fund and superannuation fund; gratuity expense; staff welfare expenses and (v) ESOP expenses.

Other expenses

Our other expenses include (i) electricity; (ii) rent; (iii) repairs and maintenance; (iv) insurance; (v) rates and taxes; (vi) communication expenses, (vii) travel and conveyance; (viii) printing and stationery; (ix) directors' sitting fees; (x) business promotion; (xi) CSR expenses; (xii) legal and professional fees; (xiii) provision for insurance claim receivable; (xiv) subscription charges towards membership fees; (xv) software costs; (xvi) security charges; (xvii) housekeeping charges; (xviii) office expenses; (xix) directors commission; (xix) loss on sale of property, plant and equipment; (xx) payment to statutory auditors' and (xxi) miscellaneous expenses.

NON-GAAP MEASURES

Certain measures such as Return on Equity and Return on Total Assets presented in this Draft Red Herring prospectus are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, there are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate these Non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such 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 as they are widely used measures to evaluate a company's operating performance. For further information, see "*Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP 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 that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies*" and "*Other Financial Information*" on pages 50 and 380, respectively.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations on a standalone basis for the periods indicated:

Particulars	Fiscal						Three Months Ended June 30,			
	2021		2022		2023		2022		2023	
	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income
Revenue from operations										
Interest income	9,576.29	88.90%	11,930.32	84.50%	15,452.38	87.83%	3,270.37	90.50%	5,737.12	88.03%
Net Gain on derecognition of financial instruments under amortised cost category	714.80	6.63%	1,169.72	8.28%	1,036.95	5.89%	104.44	2.89%	551.32	8.46%
Dividend income and gain on sale of mutual fund	128.69	1.19%	111.88	0.79%	-	-	-	-	-	-
Other operating income	109.92	1.02%	466.98	3.31%	662.62	3.77%	231.61	6.40%	82.19	1.26%
Total revenue from operations	**10,529.70**	**97.75%**	**13,678.90**	**96.88%**	**17,151.95**	**97.49%**	**3,606.42**	**99.80%**	**6,370.63**	**97.76%**
Other income	242.15	2.25%	440.00	3.12%	440.81	2.51%	7.32	0.20%	146.16	2.24%
Total income	**10,771.85**	**100.00%**	**14,118.90**	**100.00%**	**17,592.76**	**100.00%**	**3,613.74**	**100.00%**	**6,516.79**	**100.00%**
Expenses										
Finance cost	4,575.41	42.48%	5,727.93	40.57%	6,298.48	35.80%	1,394.23	38.58%	2,172.22	33.33%
Impairment of financial instruments	2,998.09	27.83%	4,068.22	28.81%	2,736.84	15.56%	1,186.76	32.84%	960.59	14.74%
Employee benefit expenses	1,894.23	17.59%	2,688.49	19.04%	3,966.40	22.55%	771.29	21.34%	1,209.85	18.57%

Particulars	Fiscal						Three Months Ended June 30,			
	2021		2022		2023		2022		2023	
	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income
Depreciation and amortisation expense	118.37	1.10%	352.35	2.50%	339.71	1.93%	126.10	3.49%	103.13	1.58%
Other expenses	887.85	8.24%	1,087.27	7.70%	1,142.08	6.49%	243.95	6.75%	464.18	7.12%
Total expenses	**10,473.95**	**97.23%**	**13,924.26**	**98.62%**	**14,483.50**	**82.33%**	**3,722.33**	**103.00%**	**4,909.97**	**75.34%**
Profit/ (Loss) before exceptional items and tax	**297.90**	**2.76%**	**194.64**	**1.38%**	**3,109.26**	**17.67%**	**(108.59)**	**(3.00)%**	**1,606.82**	**24.66%**
Exceptional items	-	-	-	-	-	-	-	-	-	-
Profit/ (Loss) before tax for the period/ year	**297.90**	**2.76%**	**194.64**	**1.38%**	**3,109.26**	**17.67%**	**(108.59)**	**(3.00)%**	**1,606.82**	**24.66%**
Tax expense										
Current tax	661.89	6.14%	195.61	1.39%	631.83	3.59%	270.32	7.48%	258.81	3.97%
Deferred tax charge/ (credit)	(483.91)	(4.49)%	(112.91)	(0.80)%	219.46	1.25%	(291.99)	(8.08)%	203.50	3.12%
Tax relating to earlier years	(41.09)	(0.38)%	(27.36)	(0.19)%	23.69	0.13%	-	-	17.26	0.26%
Profit/ (Loss) after tax for the period/ year	161.01	1.49%	139.30	0.99%	2,234.28	12.70%	(86.92)	(2.41)%	1,127.25	17.29%
Other comprehensive income										
Items that will not be reclassified to statement of profit and loss										
Re-measurement gains and (losses) on defined benefit obligations (net)	(18.43)	(0.17)%	15.58	(0.11)%	(4.97)	(0.03)%	(1.14)	(0.03)%	(6.45)	0.10%
Fair value changes in equity instruments	0.40	0.00	(0.33)	(0.00)	-	-	-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss	4.54	0.04%	(3.84)	(0.03)%	1.25	0.01%	0.29	0.01%	1.62	0.02%
Items that will be reclassified to profit or loss										
Fair value changes on derivatives designated as cash flow hedge (net)	6.50	0.06%	29.04	0.20%	30.00	0.17%	30.02	0.83%	(29.15)	(0.45)%
Fair value changes on Investment held as FVOCI	-	-	(27.77)	(0.20)%	(23.48)	(0.13)%	(38.78)	(1.07)%	12.21	0.19%
Income tax relating to items that will be reclassified to profit or loss	(1.64)	(0.02)%	(0.32)	(0.00)%	(1.64)	(0.01)%	2.20	0.06%	4.26	0.07%
Other comprehensive income/ (loss) for the period/ year	(8.63)	(0.08)%	12.36	0.09%	1.16	0.01%	(7.40)	(0.20)%	(17.51)	(0.27)%
Total	152.38	1.41%	151.66	1.07%	2,235.44	12.71%	(94.32)	(2.61)%	1,109.74	17.03%

Particulars	Fiscal						Three Months Ended June 30,			
	2021		2022		2023		2022		2023	
	(₹ million	Percentage of Total Income	(₹ million	Percentage of Total Income	(₹ million	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million	Percentage of Total Income
comprehensive income/ (loss) for the period/ year										

THREE MONTHS ENDED JUNE 30, 2023 COMPARED TO THREE MONTHS ENDED JUNE 30, 2022

Total income

Our total income increased by 80.33% from ₹ 3,613.74 million in the three months ended June 30, 2022 to ₹ 6,516.79 million in the three months ended June 30, 2023. This increase was due to an increase in both revenue from operations and other income.

Revenue from operations

Our revenue from operations increased by 76.65% from ₹ 3,606.42 million in the three months ended June 30, 2022 to ₹ 6,370.63 million in the three months ended June 30, 2023, primarily due to an increase in interest income by 75.43% from ₹ 3,270.37 million in the three months ended June 30, 2022 to ₹ 5,737.12 million in the three months ended June 30, 2023. This was primarily attributable to increase in (i) interest on loan-microfinance loans by 74.75% from ₹ 3,005.91 million in the three months ended June 30, 2022 to ₹ 5,252.97 million in the three months ended June 30, 2023 and (ii) interest on loan- Gold and MSME loans from ₹ 185.06 million in the three months ended June 30, 2022 to ₹ 388.05 million in the three months ended June 30, 2023, primarily due to growth in AUM which increased by 44.60% from ₹ 70,125.32 million as of June 30, 2022 to ₹ 101,405.76 million as of June 30, 2023, and increase in average yield. The increase in volume of direct assignment transactions has also resulted in increased revenue.

The following table sets forth details of our AUM:

Particulars	As of June 30,		Increase/ (Decrease) (%)
	2022	2023	
	(₹ million)		
AUM			
Microfinance Loans	65,460.84	93,104.47	42.23%
Loans against Gold	4,208.14	7,895.77	87.63%
MSME Loans	456.33	405.52	(11.13)%
Total AUM	**70,125.32**	**101,405.76**	**44.61%**

Further, net gain on derecognition of financials instruments under amortised cost category increased from ₹ 104.44 million in the three months ended June 30, 2022 to ₹ 551.32 million in the three months ended June 30, 2023.

This was marginally offset by a decrease in other operating income by 64.51% to ₹ 82.19 million in the three months ended June 30, 2023 from ₹ 231.61 million in the three months ended June 30, 2022, primarily due to a decrease in loss assets recovered.

Other income

Our other income increased from ₹ 7.32 million in the three months ended June 30, 2022 to ₹ 146.16 million in the three months ended June 30, 2023, primarily due to an increase in (i) referral fee on product loans from ₹ 9.88 million in the three months ended June 30, 2022 to ₹ 124.27 million in the three months ended June 30, 2023; and (ii) miscellaneous income from ₹ (2.56) million in the three months ended June 30, 2022 to ₹ 21.89 million in the three months ended June 30, 2023.

Expenses

Total expenses increased by 31.91% from ₹ 3,722.30 million in the three months ended June 30, 2022 to ₹ 4,909.96 million in the three months ended June 30, 2023. This increase was due to an increase in (i) finance cost; (ii) employee benefit expenses; and (iii) other expenses.

This increase was offset by a decrease in impairment of financial instruments and depreciation and amortization expense.

Finance cost

Our finance cost increased by 55.80% from ₹ 1,394.23 million in the three months ended June 30, 2022 to ₹ 2,172.22 million in the three months ended June 30, 2023, primarily due to an increase in interest on borrowings on (i) term loans from banks from ₹ 641.92 million in the three months ended June 30, 2022 to ₹ 1,468.55 million in the three months ended June 30, 2023; and (ii) term loans from NBFCs from ₹ 73.89 million in the three months ended June 30, 2022 to ₹ 116.91 million in the three months ended June 30, 2023. Our interest on borrowings on term loans availed from banks and NBFCs increased on account of an increase in borrowings from ₹ 51,993.70 million in the three months ended June 30, 2022 to ₹ 79,410.95 million in the three months ended June 30, 2023. Further interest on borrowings under securitization arrangement increased from nil in the three months ended June 30, 2022 to ₹ 94.75 million in the three months ended June 30, 2023.

Impairment on financial instruments

Impairment on financial instruments decreased by 19.06% to ₹ 960.59 million in the three months ended June 30, 2023 from ₹ 1,186.76 million in the three months ended June 30, 2022. This was primarily due to decreases in provision for impairment on loan assets to ₹ 960.00 million in the three month ended June 30, 2023 from ₹ 1,186.76 million in the three month ended June 30, 2022. Our provisions for impairment on loan assets were higher in the three month ended June 30, 2022 because of the impact of the COVID-19 pandemic. As the impact of COVID-19 situation in India improved in Fiscal 2023, resulting in gradual reduction of our provision for impairment on loan assets.

Employee benefit expenses

Our employee benefit expenses increased by 56.86% from ₹ 771.29 million in the three months ended June 30, 2022 to ₹ 1,209.85 million in the three months ended June 30, 2023, primarily due to an increase in salaries and wages from ₹ 675.57 million in the three months ended June 30, 2022 to ₹ 1,097.12 million in the three months ended June 30, 2023. The increase in salaries and bonus was due to increase in the number of employees from 12,551 employees as of June 30, 2022 to 16,034 employees as of June 30, 2023, as well as increments in salaries and annual bonus. Further, we also witnessed an increase in contribution to provident and other funds and gratuity expenses as a result of the increased number of employees.

This was offset by a decrease in staff welfare expenses to ₹ (5.84) million in the three months ended June 30, 2023 from ₹ (0.44) million in the three months ended June 30, 2022.

Depreciation and amortisation expense

Our depreciation and amortization expense decreased by 18.22% to ₹ 103.13 million in the three months ended June 30, 2023 from ₹ 126.10 million in the three months ended June 30, 2022, primarily due to a decrease in depreciation of tangible assets to ₹ 38.02 million in the three months ended June 30, 2023 from ₹ 67.28 million in the three months ended June 30, 2022. The decrease in depreciation of tangible assets is due to the written down value method of depreciation.

Other expenses

Our other expenses increased by 90.28% from ₹ 243.95 million in the three months ended June 30, 2022 to ₹ 464.18 million in the three months ended June 30, 2023, primarily due to an increase in:

- Electricity expenses from ₹ 7.28 million in the three months ended June 30, 2022 to ₹ 13.10 million in the three months ended June 30, 2023 on account of an increase in Branches from 1,540 as of June 30, 2022 to 1,738 as of June 30, 2023;
- Rent expenses from ₹ 0.26 million in the three months ended June 30, 2022 to ₹ 14.71 million in the three months ended June 30, 2023 on account increase of number of branches leased for a longer period and consequential increase in reversal of financial lease liability to rent expenses;
- Travel and conveyance expenses by 51.58% from ₹ 89.02 million in the three months ended June 30, 2022 to ₹ 134.94 million in the three months ended June 30, 2023 on account of increase in number of field officers;
- Business promotion expenses from ₹ 8.87 million in the three months ended June 30, 2022 to ₹ 13.64 million in the three months ended June 30, 2023 on account of an increase in volume of advertisement expenses;
- CSR expenses from ₹ 5.99 million in the three months ended June 30, 2022 to ₹ 11.58 million in the three months ended June 30, 2023;
- Provision for insurance claim receivable from ₹ 14.94 million in the three months ended June 30, 2022 to ₹ 70.29 million in the three months ended June 30, 2023 on account of insurance claims receivable pending release of funds from insurance company;
- Software costs from ₹ 26.10 million in the three months ended June 30, 2022 to ₹ 54.76 million in the three months ended June 30, 2023 on account of increased automation in all processes;
- Office expenses from ₹ 0.60 million in the three months ended June 30, 2022 to ₹ 15.58 million in the three months ended June 30, 2023 primarily on account of e-sign fees amounting to ₹ 3.30 million, and collection charges amounting to ₹ 8.53 million; and
- Miscellaneous expenses from ₹ (5.25) million in the three months ended June 30, 2022 to ₹ 21.22 million in the three months ended June 30, 2023.

This was offset primarily by a decrease in subscription charges to ₹ 0.04 million in the three months ended June 30, 2023 from ₹ 21.39 million in the three months ended June 30, 2022 on account of reversal of prepaid expense amortised for three months ended June 30, 2022.

Profit/ (Loss) before tax for the period/ year

For the reasons discussed above, profit before tax was ₹ 1,606.82 million in the three months ended June 30, 2023 compared to loss before tax of ₹ (108.59) million in the three months ended June 30, 2022.

Tax expenses

Our tax expenses increased from ₹ (21.67) million in the three months ended June 30, 2022 to ₹ 479.57 million in the three months ended June 30, 2023. Current tax expense decreased to ₹ 258.81 million in the three months ended June 30, 2023 from ₹ 270.32 million in the three months ended June 30, 2022, on account of timing difference between tax computed as per accounts and IT computation. Our deferred tax credit was ₹ (291.99) million in the three months ended June 30, 2022 compared to ₹ 203.50 million in the three months ended June 30, 2023. Tax relating to earlier years increased from nil in the three months ended June 30, 2022 to ₹ 17.26 million in the three months ended June 30, 2023.

Profit/ (Loss) after tax for the period/ year

Our profit for the year in the three months ended June 30, 2023 was ₹ 1,127.25 million compared to a loss for the year of ₹ 86.92 million in the three months ended June 30, 2022.

FISCAL 2023 COMPARED TO FISCAL 2022

Total income

Our total income increased by 24.60% from ₹ 14,118.90 million in Fiscal 2022 to ₹ 17,592.76 million in Fiscal 2023. This increase was primarily due to an increase in revenue from operations.

Revenue from operations

Our revenue from operations increased by 25.39% from ₹ 13,678.90 million in Fiscal 2022 to ₹ 17,151.95 million in Fiscal 2023, primarily due to an increase in interest income by 29.52% from ₹ 11,930.32 million in Fiscal 2022 to ₹ 15,452.38 million in Fiscal 2023. This was primarily attributable to an increase in (i) interest on loan-microfinance loans by 22.02% from ₹ 11,438.54 million in Fiscal 2022 to ₹ 13,956.95 million in Fiscal 2023 and (ii) interest on loan-Gold and MSME loans from ₹ 299.21 million in Fiscal 2022 to ₹ 1,086.10 million in Fiscal 2023, due to growth in AUM, which increased by 43.40% from ₹ 70,021.83 million as of March 31, 2022 to ₹ 100,408.93 million as of March 31, 2023.The growth in AUM was driven to a great extent by an increase in our Microfinance Loans portfolio and our Loans against Gold portfolio, as indicated below:

Particulars	As of March 31,		Increase/ (Decrease) (%)
	2022	2023	
	(₹ million)		
AUM			
Microfinance Loans	66,529.78	92,972.07	39.75%
Loans against Gold	3,005.69	7,053.20	134.66%
MSME Loans	486.36	383.66	(21.12)%
Total AUM	**70,021.83**	**100,408.93**	**43.40%**

Other operating income increased by 41.89% from ₹ 466.98 million in Fiscal 2022 to ₹ 662.62 million in Fiscal 2023 primarily due to an increase in loss assets recovered.

This was marginally offset by a decrease in (i) net gain on derecognition of financials instruments under amortised cost category increased to ₹ 1,036.95 million in Fiscal 2023 from ₹ 1,169.72 million in Fiscal 2022; (ii) dividend income and gain on sale of mutual fund to nil in Fiscal 2023 from ₹ 111.88 million in Fiscal 2022.

Other income

Our other income remained consistent at ₹ 440.81 million in Fiscal 2023 compared to ₹ 440.00 million in Fiscal 2022. While miscellaneous income increased from ₹ 13.82 million in Fiscal 2022 to ₹ 35.61 million in Fiscal 2023, however, this was offset by a marginal decrease in referral fee on product loans by 5.18% to ₹ 405.20 million in Fiscal 2023 from ₹ 426.18 million in Fiscal 2023.

Expenses

Total expenses increased by 4.02% from ₹ 13,924.26 million in Fiscal 2022 to ₹ 14,483.50 million in Fiscal 2023. This increase was due to an increase in (i) finance cost; (ii) employee benefit expenses; and (iii) other expenses.

This increase was offset by a decrease in impairment of financial instruments and depreciation and amortization expense.

Finance cost

Our finance cost increased by 9.96% from ₹ 5,727.93 million in Fiscal 2022 to ₹ 6,298.47 million in Fiscal 2023, primarily due to an increase in interest on borrowings on (i) term loans from banks by 14.02% from ₹ 3,219.79 million in Fiscal 2022 to ₹ 3,671.15 million in Fiscal 2023; and (ii) term loans from NBFCs by 70.12% from ₹ 215.73 million in Fiscal 2022 to ₹ 366.99 million in Fiscal 2023. Our interest on borrowings on term loans availed from banks and NBFCs increased on account of an increase in borrowings from ₹ 35,030.43 million in Fiscal 2022 to ₹ 61,002.85 million in Fiscal 2023.

Impairment on financial instruments

Impairment on financial instruments decreased by 48.65% to ₹ 2,736.84 million in Fiscal 2023 from ₹ 4,068.22 million in Fiscal 2022. This was primarily due to primarily due to decreases in (i) loans written off to ₹ 1,122.09 million in Fiscal 2023 from ₹ 3,945.28 million in Fiscal 2022; and (ii) provision for impairment on loan assets to ₹ 2,515.49 million in Fiscal 2023 from ₹ 3,537.43 million in Fiscal 2022. Our loans written off and provisions for impairment on loan assets were higher in Fiscal 2022 on account of the impact of the COVID-19 pandemic. As the impact of COVID-19 situation in India improved in Fiscal 2023, we experienced a gradual decrease in our loans written off and a reduction in our provision for impairment on loan assets gradually reduced as well.

Employee benefits expense

Our employee benefit expenses increased by 47.53% from ₹ 2,688.49 million in Fiscal 2022 to ₹ 3,966.40 million in Fiscal 2023, primarily due to an increase in salaries and wages from ₹ 2,380.13 million in Fiscal 2022 to ₹ 3,511.05 million in Fiscal 2023. The increase in salaries and bonus was due to increase in the number of employees from 12,609 employees as of March 31, 2022 to 15,874 employees as of March 31 2023, as well as increments in salaries and annual bonus. As a result, contributions to provident and other funds increased from ₹ 62.90 million in Fiscal 2022 to ₹ 381.62 million in Fiscal 2023. Further, our gratuity expenses increased from ₹ 64.05 million in Fiscal 2022 to ₹ 69.36 million in Fiscal 2023.

This was offset by a decrease in staff welfare expenses to ₹ 6.47 million in Fiscal 2023 from ₹ 181.34 million in Fiscal 2022, which was reduced primarily on account of expenses of labour welfare fund (employee share) which was booked starting from April 1, 2021, *i.e.*, Fiscal 2022.

Depreciation and amortisation expense

Our depreciation and amortization expense decreased marginally to ₹ 339.71 million in Fiscal 2023 from ₹ 352.35 million in Fiscal 2022, primarily due to a decrease in depreciation of tangible assets to ₹ 97.33 million in Fiscal 2023 from ₹ 217.70 million in Fiscal 2022. The decrease in depreciation of tangible assets was partly due to reduction in depreciation on computers, furniture and fixtures, amounting ₹ 120.36 million, which was offset an increase in depreciation on right to use assets and software amounting ₹ 107.73 million.

Other expenses

Our other expenses increased by 5.04% from ₹ 1,087.27 million in Fiscal 2022 to ₹ 1,142.08 million in Fiscal 2023, primarily due to an increase in:

- Electricity expenses, from ₹ 17.03 million in Fiscal 2022 to ₹ 31.95 million in Fiscal 2023 on account of an increase in branches from 1,525 as of March 31, 2022 to 1,684 as of March 31, 2023;
- Travel and conveyance expenses by 45.28% from ₹ 319.08 million in Fiscal 2022 to ₹ 463.57 million in Fiscal 2023 on account of an increase in the number of field employees;
- Business promotion expenses, from ₹ 20.45 million in Fiscal 2022 to ₹ 41.88 million in Fiscal 2023 on account of an increase in of volume of advertisement expenses;
- Office expenses, from ₹ 8.98 million in Fiscal 2022 to ₹ 22.95 million in Fiscal 2023 on account of higher provisions on expenses; and
- Miscellaneous expenses, from ₹ 81.95 million in Fiscal 2022 to ₹ 93.90 million in Fiscal 2023.

This was offset primarily by a decrease in (i) rent expenses to ₹ 18.47 million in Fiscal 2023 from ₹ 88.47 million in Fiscal 2022 on account of change in lease period; (ii) CSR expenses to ₹ 23.97 million in Fiscal 2023 from ₹ 36.55 million in Fiscal 2022; (iii) provision for insurance claim receivable to ₹ (17.62) million in Fiscal 2023 from ₹ 33.95 million in Fiscal 2022 on account of insurance receivables; (iv) software costs by 18.59% to ₹ 143.23 million in Fiscal 2023 from ₹ 175.94 million in Fiscal 2022.

Profit/ (Loss) before tax for the period/ year

For the reasons discussed above, profit before tax was ₹ 3,109.26 million in Fiscal 2023 compared to profit before tax of ₹ 194.64 million in Fiscal 2022.

Tax expenses

Our tax expenses increased from ₹ 55.34 million in Fiscal 2022 to ₹ 874.98 million in Fiscal 2023. Current tax expense increased from ₹ 195.61 million in Fiscal 2022 to ₹ 631.83 million in Fiscal 2023, primarily due to an increase in our revenue from operations and consequent increase in the profit before tax in Fiscal 2023 compared to Fiscal 2022. Our deferred tax credit was ₹ (112.91) million in Fiscal 2022 compared to a deferred tax charge of ₹ 219.46 million in Fiscal 2023. Tax relating to earlier years increased from ₹ (27.36) million in Fiscal 2022 to ₹ 23.69 million in Fiscal 2023.

Profit/ (Loss) after tax for the period/ year

Our profit for the year in Fiscal 2023 was ₹ 2,234.28 million while our profit for the year in Fiscal 2022 was ₹ 139.30 million in

Fiscal 2022.

FISCAL 2022 COMPARED TO FISCAL 2021

Total income

Our total income increased by 31.07% from ₹ 10,771.85 million in Fiscal 2021 to ₹ 14,118.90 million in Fiscal 2022. This increase was due to an increase in both revenue from operations and other income.

Revenue from operations

Our revenue from operations increased by 29.91% from ₹ 10,529.70 million in Fiscal 2021 to ₹ 13,678.90 million in Fiscal 2022, primarily due to an increase in interest income by 24.58% from ₹ 9,576.29 million in Fiscal 2021 to ₹ 11,930.32 million in Fiscal 2022. This was primarily attributable to an increase in (i) interest on loan-microfinance loans by 23.80% from ₹ 9,239.79 million in Fiscal 2021 to ₹ 11,438.54 million in Fiscal 2022 and (ii) interest on loan- Gold and MSME loans from ₹ 59.00 million in Fiscal 2021 to ₹ 299.21 million in Fiscal 2022, due to growth in AUM, which increased by 17.00% from ₹ 59,846.18 million as of March 31, 2021 to ₹ 70,021.83 million as of March 31, 2022. The growth in AUM was driven to a great extent by an increase in our Microfinance Loans portfolio having higher yields and our Loans against Gold portfolio, as indicated below:

Particulars	As of March 31,		Increase/ Decrease (%)
	2021	2022	
	(₹ million)		
AUM			
Microfinance Loans	59,408.76	66,529.78	11.99%
Loans against Gold	25.34	3,005.69	-(1)
MSME Loans	412.08	486.36	18.01%
Total AUM	**59,846.18**	**70,021.83**	**17.00%**

(1) Since the growth in Loans against Gold has been exponential, percentage increase has not been included since it will not reflect a fair comparison between Fiscal 2021 and Fiscal 2022.

Other operating income increased from ₹ 109.92 million in Fiscal 2021 to ₹ 466.98 million in Fiscal 2022 primarily due to an increase in loss assets recovered.

This was marginally offset by a decrease in dividend income and gain on sale of mutual fund to ₹ 111.88 million in Fiscal 2022 from ₹ 128.69 million in Fiscal 2021.

Other income

Our other income increased from ₹ 242.15 million in Fiscal 2022 to ₹ 440.00 million in Fiscal 2022, primarily due to an increase in (i) referral fee on product loans from ₹ 227.12 million in Fiscal 2021 to ₹ 426.18 million in Fiscal 2022. This was marginally offset by a decrease in miscellaneous income to ₹ 13.82 million in Fiscal 2022 from ₹ 15.03 million in Fiscal 2021.

Expenses

Total expenses increased by 32.94% from ₹ 10,473.95 million in Fiscal 2021 to ₹ 13,924.26 million in Fiscal 2022. This increase was due to an increase in (i) finance cost; (ii) employee benefit expenses; (iii) impairment of financial instruments; (iv) depreciation and amortization expense; and (v) other expenses.

Finance cost

Our finance cost increased by 25.19% from ₹ 4,575.41 million in Fiscal 2021 to ₹ 5,727.93 million in Fiscal 2022, primarily due to an increase in interest on borrowings on (i) term loans from banks by 16.16% from ₹ 2,771.97 million in Fiscal 2021 to ₹ 3,219.79 million in Fiscal 2022; and (ii) term loans from NBFCs from ₹ 201.85 million in Fiscal 2021 to ₹ 215.73 million in Fiscal 2023. Our interest on borrowings on term loans availed from banks and NBFCs increased on account of an increase in borrowings from ₹ 29,290.32 million in Fiscal 2021 to ₹ 35,030.43 million in Fiscal 2022.

This was primarily offset by a decrease in (i) interest on borrowings under securitization arrangement to ₹ 8.49 million in Fiscal 2022 from ₹ 337.85 million in Fiscal 2021; and (ii) interest on commercial paper to nil in Fiscal 2022 from ₹ 20.98 million in Fiscal 2021.

Impairment on financial instruments

Impairment on financial instruments increased by 35.69% from ₹ 2,998.09 million in Fiscal 2021 to ₹ 4,068.22 million in Fiscal 2022. This was primarily due to increase in (i) loans written off to ₹ 3,945.28 million in Fiscal 2022 from ₹ 1,434.61 million in Fiscal 2021; and (ii) provision for impairment on loan assets to ₹ 3,537.44 million in Fiscal 2022 from ₹ 3,414.49 million in Fiscal 2021. Our loans written off and provisions for impairment on loan assets were lower in Fiscal 2021. As the impact of COVID-19 situation in India worsened in Fiscal 2022, we experienced a gradual increase in our loans written off and provision for impairment on loan assets.

Employee benefits expense

Our employee benefit expenses increased by 41.93% from ₹ 1,894.23 million in Fiscal 2021 to ₹ 2,688.49 million in Fiscal 2022, primarily due to an increase in salaries and wages from ₹ 1,709.25 million in Fiscal 2021 to ₹ 2,380.13 million in Fiscal 2022. The increase in salaries and bonus was due to increments in salaries and annual bonus. Further, our gratuity expenses increased from ₹ 27.27 million in Fiscal 2021 to ₹ 64.05 million in Fiscal 2022, while our staff welfare expenses increased from ₹ 5.27 million in Fiscal 2021 to ₹ 181.34 million in Fiscal 2022 mainly on account of expenses of labour welfare fund (employee share) which was booked starting from April 1, 2021, *i.e.*, Fiscal 2022.

This was offset by a decrease contributions to provident and other funds to ₹ 62.90 million in Fiscal 2022 from ₹ 144.22 million in Fiscal 2021 on account of offset of higher provisions.

Depreciation and amortisation expense

Our depreciation and amortization expense increased from ₹ 118.37 million in Fiscal 2021 to ₹ 352.35 million in Fiscal 2022, primarily due to an increase in depreciation of tangible assets from ₹ 92.71 million in Fiscal 2021 to ₹ 217.70 million in Fiscal 2022. The increase in depreciation of tangible assets was as a result of increase in number of branches and lease agreement period on renewals.

Other expenses

Our other expenses increased by 22.46% from ₹ 887.85 million in Fiscal 2021 to ₹ 1,087.27 million in Fiscal 2022, primarily due to an increase in:

- Electricity expenses, from ₹ 12.83 million in Fiscal 2021 to ₹ 17.03 million in Fiscal 2022;
- Insurance expenses by 69.37% from ₹ 29.25 million in Fiscal 2021 to ₹ 49.54 million in Fiscal 2022;
- Travel and conveyance expenses by 20.20% from ₹ 265.44 million in Fiscal 2021 to ₹ 319.08 million in Fiscal 2022 on account of an increase in number of field employees;
- Business promotion expenses from ₹ 0.58 million in Fiscal 2021 to ₹ 20.45 million in Fiscal 2022 on account of an increase in volume of advertisement expenses;
- CSR expenses by 6.10% from ₹ 34.45 million in Fiscal 2021 to ₹ 36.55 million in Fiscal 2022; and
- Miscellaneous expenses, from ₹ 26.10 million in Fiscal 2021 to ₹ 81.95 million in Fiscal 2022.

This was offset primarily by a decrease in (i) rent expenses by 28.53% to ₹ 88.47 million in Fiscal 2022 from ₹ 123.78 million in Fiscal 2021 on account of reduction in number of branches leased for a longer period and consequential increase in reversal of financial lease liability to rent expenses; (ii) software costs by (13.97)% to ₹ 175.94 million in Fiscal 2022 from ₹ 204.52 million in Fiscal 2021.

Profit/ (Loss) before tax for the period/ year

For the reasons discussed above, profit before tax was ₹ 194.64 million in Fiscal 2022 compared to profit before tax of ₹ 297.90 million in Fiscal 2021.

Tax expenses

Our tax expenses decreased to ₹ 55.34 million in Fiscal 2021 from ₹ 136.89 million in Fiscal 2021. Current tax expense decreased to ₹ 195.61 million in Fiscal 2022 from ₹ 661.89 million in Fiscal 2021, primarily due to a decrease in our profit before tax in Fiscal 2022 compared to Fiscal 2021.Our deferred tax credit was ₹ (483.91) million in Fiscal 2021 compared to ₹ (112.91) million in Fiscal 2022.

Profit/ (Loss) after tax for the period/ year

Our profit for the year in Fiscal 2022 was ₹ 139.30 million while our profit for the year in Fiscal 2021 was ₹ 161.01 million in Fiscal 2021.

FINANCIAL CONDITION

Assets

The table below sets out the principal components of our assets as of the dates indicated:

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Financial assets					
Cash and cash equivalents	6,954.68	7,925.13	5,499.21	3,656.55	7,134.29
Bank balances other than cash and cash equivalents	1,872.20	1,257.12	3,367.88	1,827.34	2,936.98

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ *million*)				
Loans	47,739.54	54,285.53	86,688.96	54,482.20	82,790.23
Loans given to staff	7.50	0.51	2.01	0.31	40.64
Investments	0.90	1,043.65	1,970.64	1,004.86	2,186.39
Derivative financial instruments	-	13.14	262.98	38.20	213.22
Other financial assets	712.00	1,206.92	1,228.39	1,010.58	2,790.96
Total financial assets	57,286.82	65,732.00	99,020.07	62,020.04	98,092.71
Non-Financial assets					
Current tax assets (net)	113.30	351.26	345.18	184.79	256.52
Deferred tax assets (net)	831.12	939.01	717.42	1,233.15	519.14
Investment property	0.86	0.86	0.86	0.86	0.86
Property, plant and equipment	68.78	342.33	701.24	358.28	748.07
Right of use asset	89.46	739.66	936.31	887.49	993.42
Other intangible assets	25.97	14.20	66.99	21.05	86.91
Intangible assets under development	5.45	9.42	-	-	-
Other non-financial assets	77.78	108.00	127.81	91.43	125.05
Total non-financial assets	1,212.72	2,504.74	2,895.81	2,777.05	2,729.97
Total assets	58,499.54	68,236.74	101,915.88	64,797.09	100,822.68

As of June 30, 2023, we had total assets of ₹ 100,822.68 million, compared to ₹ 101,915.88 million as March 31, 2023, ₹ 64,797.09 million as of June 30, 2022, ₹ 68,236.74 million as of March 31, 2022 and ₹ 58,499.54 million as of March 31, 2021. The increase in our total assets from March 31, 2021 to June 30, 2023 was primarily on account of growth in our disbursals and loan portfolio.

Financial Assets

Cash and cash equivalents

Our cash and cash equivalents increased from ₹ 6,954.68 million as of March 31, 2021 to ₹ 7,925.13 million as of March 31, 2022, primarily due to increase in deposit accounts – not covered under lien with original maturity of less than three months. Cash and cash equivalents decreased to ₹ 3,656.55 million as of June 30, 2022 due to decrease in deposit accounts – not covered under lien with original maturity of less than three months but subsequently increased to ₹ 5,499.21 million as of March 31, 2023, due to increase in deposit accounts – not covered under lien with original maturity of less than three months in the ordinary course of business. Subsequently, cash and cash equivalents increased to ₹ 7,134.29 million as of June 30, 2023, due to increase in deposit accounts – not covered under lien with original maturity of less than three months on account of better deposit rates earned.

Bank balances other than cash and cash equivalents

Our bank balances other than cash and cash equivalents decreased from ₹ 1,872.20 million as of March 31, 2021, to ₹ 1,257.12 million as of March 31, 2022, owing to decrease in deposit accounts – under lien. Bank balances other than cash and cash equivalents subsequently increased to ₹ 1,827.34 million as of June 30, 2022 owing to an increase in deposit accounts – under lien. Bank balances other than cash and cash equivalent increased further to ₹ 3,367.88 million as of March 31, 2023 but decreased to ₹ 2,936.98 million as of June 30, 2023 owing to increase in deposits with banks for obtaining term loans.

Loans

Our loans increased from ₹ 47,739.54 million as of March 31, 2021 to ₹ 54,285.53 million as of March 31, 2022, owing to increase in term loans, and in particular unsecured loans. Loans increased marginally to ₹ 54,482.20 million as of June 30, 2022 and increased substantially to ₹ 86,688.96 million as of March 31, 2023 owing to higher disbursal of unsecured loans, reflecting our progressive increase in the volume of disbursements on account of growth in our loan portfolio. Loans decreased marginally to ₹ 82,790.23 million as of June 30, 2023.

Loans given to staff

Loans given to staff decreased from ₹ 7.50 million as of March 31, 2021 to ₹ 0.51 million as of March 31, 2022. Loans to staff further decreased to ₹ 0.31 million as of June 30, 2022 and increased to ₹ 2.01 million as of March 31, 2023. Loans to staff increased to ₹ 40.64 million as of June 30, 2023 on account of loans identified to be of employees themselves without any extra benefit.

Investments

Our investments increased from ₹ 0.90 million as of March 31, 2021 to ₹ 1,043.65 million as of March 31, 2022 owing to investment in government securities in Fiscal 2022, amounting to ₹ 1,043.08 million. Investments marginally decreased to ₹ 1,004.86 million as of June 30, 2022. Investments further increased to ₹ 1,970.64 million as of March 31, 2023 owing to investment in equity tranche in case of securitization transactions and investment in security receipts in connection with sale of loss assets to asset reconstruction companies. amounting to ₹ 950.47 million, and further to ₹ 2,186.39 million as of June 30, 2023 owing to investment in security receipts in connection with sale of loss assets to asset reconstruction companies.

Derivative financial instruments

Derivative financial instruments increased from nil as of March 31, 2021 to ₹ 13.14 million as of March 31, 2022 and increased to ₹ 38.20 million as of June 30, 2022 and further to ₹ 262.98 million as of March 31, 2023. The increase was primarily on account of hedging treatment on an ECB transaction such as currency and interest rate swaps, to hedge our foreign currency risks and interest rate risks, respectively. Derivative financial instruments thereafter decreased to ₹ 213.22 million as of June 30, 2023. This decrease was primarily on due to normal rundown of the ECB facilities.

Other financial assets

Other financial assets increased from ₹ 712.00 million as of March 31, 2021 to ₹ 1,206.92 million as of March 31, 2022, primarily on account of retained interest on asset assigned. Other financial assets subsequently decreased to ₹ 1,010.58 million as of June 30, 2022 and increased to ₹ 1,228.39 million as of March 31, 2023 and ₹ 2,790.96 million as of June 30, 2023, owing to net impact of increase in retained interest on asset assigned of ₹ 1,204.00 million and others balances on account of increased business.

Non-Financial Assets

Current tax assets (net)

Current tax assets (net) increased from ₹ 113.30 million as of March 31, 2021 to ₹ 351.26 million as of March 31, 2022 on account of advance income tax paid but decreased subsequently to ₹ 184.79 million as of June 30, 2022. Current tax assets (net) decreased from ₹ 345.18 million as of March 31, 2023 to ₹ 256.52 million as of June 30, 2023.

Deferred tax assets (net)

Deferred tax assets (net) increased from ₹ 831.12 million as of March 31, 2021 to ₹ 939.01 million as of March 31, 2022. Deferred tax assets (net) thereafter increased to ₹ 1,2,33.15 million as of June 30, 2022 on account of timing difference between tax computed as per accounts and IT computation. Deferred tax assets (net) decreased to ₹ 717.42 million as of March 31, 2023 and further to ₹ 519.14 million as of June 30, 2023 owing to timing difference between tax computed as per accounts and IT computation.

Investment property

Investment property was ₹ 0.86 million as of March 31, 2021, 2022 and 2023 and as of June 30, 2022 and June 30, 2023 attributable to property of our Company situated in the state of Tamil Nadu, India.

Property, plant and equipment

Our property, plant and equipment increased from ₹ 68.78 million as of March 31, 2021 to ₹ 342.33 million as of March 31, 2022, ₹ 358.25 million as of June 30, 2022 and further to ₹ 701.24 million as of March 31, 2023. Property, plant and equipment increased to ₹ 748.07 million as of June 30, 2023.

Right of use assets

Right of use assets increased from ₹ 89.46 million as of March 31, 2021 to ₹ 739.66 million as of March 31, 2022, ₹ 887.49 million as of June 30, 2022 and further to ₹ 936.31 million as of March 31, 2023. Right of use assets were ₹ 993.42 million as of June 30, 2023. The increase in right of use assets is primarily on account of an on increase in period for which lease agreement were executed.

Other intangible assets

Our other intangible assets such as software decreased from ₹ 25.97 million as of March 31, 2021 to ₹ 14.20 million as of March 31, 2022. Other intangible assets was ₹ 21.05 million as of June 30, 2022 and further to ₹ 66.99 million as of March 31, 2023 and to ₹ 86.91 million as of June 30, 2023.

Intangible assets under development

Intangible assets under development increased from ₹ 5.45 million as of March 31, 2021 to ₹ 9.42 million as of March 31, 2022, and was nil as of June 30, 2022 and as of March 31, 2023 and June 30, 2023.

Other non-financial assets

Other non-financial assets increased from ₹ 77.78 million as of March 31, 2021 to ₹ 108.00 million as of March 31, 2022 primarily on account of movement in prepaid expenses. Other non-financial assets decreased to ₹ 91.43 million as of June 30, 2022 owing to decrease in GST credit receivable. Other non-financial assets increased to ₹ 127.81 million as of March 31, 2023 and was ₹ 125.05 million as of June 30, 2023, on account of increase in prepaid expenses, GST input credit, capital advances and others.

Liabilities and Equity

The following table sets forth the principal components of our liabilities as of the dates indicated:

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(*₹ million*)				
Financial liabilities					
(a) Derivative financial instruments	13.53	-	-	-	-
(b) Other payables					
– total outstanding dues of micro and small enterprises	-	-	-	-	-
– total outstanding dues of creditors other than micro and small enterprises	247.06	272.45	178.70	192.12	222.16
Debt securities	12,190.54	13,854.34	11,584.79	11,239.41	8,820.78
Borrowings (other than debt securities)	32,403.45	38,541.23	68,736.05	38,080.18	65,226.39
Subordinated liabilities	2,147.69	3,192.04	3,940.11	2,674.11	5,363.78
Other financial liabilities	657.30	1,376.34	1,741.30	1,786.65	2,821.66
Total financial liabilities	**47,659.57**	**57,236.40**	**86,180.95**	**53,972.47**	**82,454.77**
Non-financial liabilities					
Current tax liabilities (net)	-	-	-	-	-
Provisions	150.68	149.76	104.80	84.36	149.98
Other non-financial liabilities	131.66	142.09	190.05	128.75	168.70
Total non-financial liabilities	**282.34**	**291.85**	**294.85**	**213.11**	**318.68**
Equity					
Equity share capital	533.12	533.12	626.40	533.12	667.61
Other equity	10,024.51	10,175.37	14,813.68	10,078.39	17,381.62
Total equity	**10,557.63**	**10,708.49**	**15,440.08**	**10,611.51**	**18,049.23**
Total Liabilities and Equity	**58,499.54**	**68,236.74**	**101,915.88**	**64,797.09**	**100,822.68**

As of June 30, 2023, we had total liabilities and equity of ₹ 100,822.68 million, compared to ₹ 101,915.88 million as March 31, 2023, ₹ 64,797.09 million as of June 30, 2022, ₹ 68,236.74 million as of March 31, 2022 and ₹ 58,499.54 million as of March 31, 2021. The increase in our total liabilities and equity from March 31, 2021 to June 30, 2023 was primarily on account of addition to our reserves and borrowings to accommodate growth in our disbursals and loan portfolio as our business continued to grow.

Financial Liabilities

Derivative financial instruments

Derivative financial liabilities decreased from ₹ 13.53 million as of March 31, 2021 to nil as of March 31, 2022, June 30, 2022, March 31, 2023 and June 30, 2023 on account of fair value adjustment of the instruments.

Other payables

Payables increased from ₹ 247.06 million as of March 31, 2021 to ₹ 272.45 million as of March 31, 2022, owing to increase in trade payables and other payables in terms of total outstanding dues of creditors other than micro and small enterprises. Payables decreased to ₹ 192.12 million as of June 30, 2022 in the ordinary course of business. Payables further decreased to ₹ 178.70 million as of March 31, 2023, but increased to ₹ 222.16 million as of June 30, 2023 owing to increase in trade payables and other payables in terms of total outstanding dues of creditors other than micro and small enterprises.

Debt securities

Debt securities increased from ₹ 12,190.54 million as of March 31, 2021 to ₹ 13,854.34 million as of March 31, 2022, owing primarily to issuance of additional secured and unsecured redeemable non-convertible debentures in Fiscal 2022.Debt securities decreased further to ₹ 11,239.41 million as of June 30, 2022 on account of normal rundown in the ordinary course of our lending operations. Debt securities increased marginally to ₹ 11,584.79 million as of March 31, 2023. Debt securities decreased to ₹ 8,820.78 million as of June 30, 2023 owing to normal rundown in the ordinary course of our lending operations.

Borrowings (other than debt securities)

Borrowings increased from ₹ 32,403.45 million as of March 31, 2021 to ₹ 38,541.23 million as of March 31, 2022, owing to increase in (i) secured rupee term loans from banks, (ii) secured term loans from NBFCs, and (iii) secured borrowings from other financial institutions. Borrowings remained flat at ₹ 38,080.18 million as of June 30, 2022 on account of business requirements in the ordinary course of our lending operations. Borrowings increased to ₹ 68,736.05 million as of March 31, 2023 primarily owing to increase in secured rupee term loans from banks from ₹ 38,080.18 million as of June 30, 2022 to ₹ 68,736.05 million as of March 31, 2023, on account of increase in our asset base as a result of disbursements, reflecting our higher capital requirements as we expanded our operations and grew our loan portfolio. Borrowings decreased marginally to ₹ 65,226.39 million as of June 30, 2023.

Subordinated liabilities

Subordinated liabilities increased from ₹ 2,147.69 million as of March 31, 2021 to ₹ 3,192.04 million as of March 31, 2022, owing to increase in unsecured redeemable non-convertible debentures. Subordinated liabilities further decreased to ₹ 2,674.11 million as of June 30, 2022. Subordinated liabilities increased to ₹ 3,940.11 million as of March 31, 2023 owing to increase in unsecured redeemable non-convertible debentures issued in Fiscal 2023 driven by requirements in course of our lending business. Subordinated liabilities increased further to ₹ 5,363.78 million as of June 30, 2023 owing to availability of long term funds, which would be aligned to our schedule for deployment of funds.

Other financial liabilities

Other financial liabilities increased from ₹ 657.30 million as of March 31, 2021 to ₹ 1,376.34 million as of March 31, 2022, owing to increase in lease liabilities on account of additional branches opened and longer lease during Fiscal 2022. Other financial liabilities subsequently increased to ₹ 1,786.65 million as of June 30, 2022 on account of interest payable on assets assigned Other financial liabilities were ₹ 1,741.30 million as of March 31, 2023. Other financial liabilities increased to ₹ 2,821.66 million as of June 30, 2023 owing to increase in other payables from ₹ 337.06 million as of March 31, 2023 to ₹ 1,255.15 million as of June 30, 2023 in the ordinary course of business.

Non-Financial Liabilities

Current tax liabilities (net)

Current tax liabilities (net) was nil as of each of March 31, 2021, March 31, 2022, June 30, 2022, March 31, 2023 and June 30, 2023, as there were no liabilities to be discharged as of such dates.

Provisions

Provisions decreased marginally from ₹ 150.68 million as of March 31, 2021 to ₹ 149.76 million as of March 31, 2022. Provisions decreased to ₹ 84.36 million as of June 30, 2022 on account of decrease in provision for compensated leave absence as a result of change in policy on the compensation methodology. Provisions increased to ₹ 104.80 million as of March 31, 2023 owing to primarily to increase in provisions for compensated absence. Provisions increased further to ₹ 149.98 million as of June 30, 2023 owing to increase in provisions for compensated leave absence.

Other non-financial liabilities

Other non-financial liabilities increased from ₹ 131.66 million as of March 31, 2021 to ₹ 142.09 million as of March 31, 2022. Other non-financial liabilities decreased to ₹ 128.75 million as of June 30, 2022 owing to decrease in statutory dues payable. Other non-financial liabilities increased to ₹ 190.05 million as of March 31, 2023 owing to increase in statutory dues payable but subsequently decreased to ₹ 168.70 million as of June 30, 2023 owing to higher statutory dues payable.

Equity

As of June 30, 2023, our total equity was ₹ 18,049.23 million, representing 17.90% of our total assets. As of March 31, 2023, our total equity was ₹ 15,440.08 million, representing 15.15% of our total assets. As of June 30, 2022, our total equity was ₹ 10,611.51 million, representing 16.38% of our total assets. As of March 31, 2022, our total equity was ₹ 10,708.49 million, representing 15.69% of our total assets. As of March 31, 2021, our total equity was ₹ 10,557.63 million, representing 18.05% of our total assets. The increase in our total equity from March 31, 2021 to June 30, 2023 was primarily due to a combination of equity infusion, increase in statutory reserves and securities premium and an increase in our retained earnings.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources

We fund our operations through equity share capital and other equity, which includes retained profits, and borrowings. Our primary source of funding is borrowings. Our strategy is to raise long-term borrowings and maintain a judicious mix of borrowings between banks, money markets and deposits. Our objective is to maintain appropriate levels of capital to support our business strategy taking into account the regulatory, economic and commercial environment. We aim to maintain a strong capital base to support the risks inherent to our business and growth strategies. We endeavor to maintain a higher capital base than the mandated regulatory capital at all times.

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. For further information, see "*Financial Indebtedness*" and "*Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, cash flows and financial condition.*" on pages 418 and 28, respectively.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	For the year ended March 31,			For the three months ended June 30,	
	2021	2022	2023	2022	2023
	(₹ in million)				
Net cash generated / (used in) in operating activities	(2,675.54)	(1,502.34)	(23,849.34)	1,226.36	6,899.16
Net cash flow generated / (used in) from investing activities (B)	433.66	(674.27)	(3,174.86)	(585.49)	211.09
Net cash flow generated / (used in) from financing activities (C)	(2,810.88)	3,147.06	24,598.28	(4,909.45)	(5,475.17)
Cash and cash equivalents at the end of the period/ year	6,954.68	7,925.13	5,499.21	3,656.55	7,134.29

Operating Activities

Three months ended June 30, 2023

Net cash generated in operating activities was ₹ 6,899.16 million for the three months ended June 30, 2023. While our profit before tax was ₹ 1,606.82 million, we had an operating profit before working capital changes of ₹ 4,817.01 million. This was primarily due to addition of finance cost amounting to ₹ 2,172.22 million, depreciation and amortization expense amounting to ₹ 103.13 million, impairment of financial instruments, amortization of asset and loss on derecognition of financial assets amounting to ₹ 960.59 million and provision for insurance claim receivable amounting to ₹ 70.29 million, as well as deduction in interest on deposits amounting to ₹ 96.10 million.

Our working capital adjustments primarily comprised a decrease in loans amounting to ₹ 2,938.14 million on account of a decrease in loan disbursals to our borrowers, an increase in loan given to staff amounting to ₹ 38.63 million, an increase in other financial assets amounting to ₹ 1,632.86 million, an increase in trade payable amounting to ₹ 43.46 million, an increase in other financial liabilities amounting to ₹ 939.29 million, a decrease in other non-financial liabilities amounting to ₹ 21.34 million and an increase in other provisions amounting to ₹ 38.73 million. Net cash flows generated from operations was ₹ 7,086.56 million. Income tax paid was ₹ 187.40 million.

Three months ended June 30, 2022

Net cash generated in operating activities was ₹ 1,226.36 million for the three months ended June 30, 2022. While our loss before tax was ₹ 108.59 million, we had an operating profit before working capital changes of ₹ 2,532.54 million. This was primarily due to addition of finance cost amounting to ₹ 1,394.23 million, depreciation and amortization expense amounting to ₹ 126.10 million, impairment of financial instruments, amortization of asset and loss on derecognition of financial assets amounting to ₹ 1,186.76 million and provision for insurance claim receivable amounting to ₹ 14.95 million, as well as deduction in interest on deposits amounting to ₹ 79.40 million.

Our working capital adjustments primarily comprised an increase in loans amounting to ₹ 1,383.43 million on account of increased loan disbursals to our borrowers, a decrease in other financial assets amounting to ₹ 73.07 million, a decrease in trade payable amounting to ₹ 80.33 million, an increase in other financial liabilities amounting to ₹ 252.26 million, a decrease in other non-financial liabilities amounting to ₹ 13.34million and a decrease in other provisions amounting to ₹ 66.54 million. Net cash flows generated from operations was ₹ 1,331.01 million. Income tax paid was ₹ 104.65 million.

Fiscal 2023

Net cash used in operating activities was ₹ 23,849.34 million in Fiscal 2023. While our profit before tax was ₹ 3,109.26 million, we had an operating profit before working capital changes of ₹ 12,055.23 million. This was primarily due to addition of finance cost amounting to ₹ 6,298.47 million, depreciation and amortization expense amounting to ₹ 339.71 million, impairment of financial instruments, amortization of asset and loss on derecognition of financial assets amounting to ₹ 2,736.84 million, as well as deduction in interest on deposits amounting to ₹ 409.33 million.

Our working capital adjustments primarily comprised an increase in loans amounting to ₹ 35,140.27 million on account of increased loan disbursals to our borrowers, a decrease in trade payable amounting to ₹ 93.75 million, an increase in other non-financial liabilities amounting to ₹ 47.96 million and a decrease in other provisions amounting to ₹ 49.93 million. Net cash flows used in operations was ₹ 23,206.03 million. Income tax paid was ₹ 643.31 million.

Fiscal 2022

Net cash used in operating activities was ₹ 1,502.34 million in Fiscal 2022. While our profit before tax was ₹ 194.64 million, we had an operating profit before working capital changes of ₹ 10,072.71 million. This was primarily due to addition of finance cost amounting to ₹ 5,727.93 million, depreciation and amortization expense amounting to ₹ 352.35 million, impairment of financial instruments, amortization of asset and loss on derecognition of financial assets amounting to ₹ 4,068.22 million, as well as deduction in interest on deposits amounting to ₹ 192.57 million and dividend income amounting to ₹ 111.88 million.

Our working capital adjustments primarily comprised an increase in loans amounting to ₹ 10,614.21 million on account of increased loan disbursals to our borrowers, an increase in other financial assets amounting to ₹ 583.67 million, an increase in other non-financial assets amounting to ₹ 30.22 million, and an increase in trade payable amounting to ₹ 27.16 million. Net cash flows used in operations was ₹ 1,096.14 million. Income tax paid was ₹ 406.20 million.

Fiscal 2021

Net cash used in operating activities was ₹ 2,675.54 million in Fiscal 2021. While our profit before tax was ₹ 297.90 million, we had an operating profit before working capital changes of ₹ 7,621.98 million. This was primarily due to addition of finance cost amounting to ₹ 4,575.41 million, depreciation and amortization expense amounting to ₹ 118.37 million, impairment of financial instruments, amortization of asset and loss on derecognition of financial assets amounting to ₹ 2,998.09 million, as well as deduction in interest on deposits amounting to ₹ 277.50 million and dividend income amounting to ₹ 128.69 million.

Our working capital adjustments primarily comprised an increase in loans amounting to ₹ 7,304.87 million on account of increased loan disbursals to our borrowers, a decrease in other financial assets amounting to ₹ 210.27 million, an increase in other non-financial assets amounting to ₹ 36.77 million, an increase in trade payable amounting to ₹ 70.79 million, other financial liabilities amounting to ₹ 187.10 million and a decrease in other non-financial liabilities amounting to ₹ 2,860.60 million. Net cash flows used in operations was ₹ 2,092.84 million. Income tax paid was ₹ 582.70 million.

Investing Activities

Three months ended June 30, 2023

Net cash generated from investing activities was ₹ 211.09 million in the three months ended June 30, 2023, primarily on account of net movement in bank deposits amounting to ₹ 489.35 million and interest income on deposits amounting to ₹ 37.65 million, which was partially offset by purchase of property, plant and equipment amounting to ₹ 84.84 million, purchase of other intangible assets amounting to ₹ 27.53 million and investments amounting to ₹ 203.54 million.

Three months ended June 30, 2022

Net cash used in investing activities was ₹ 585.49 million in the three months ended June 30, 2022, primarily on account of net movement in bank deposits amounting to ₹ 598.41 million, purchase of property, plant and equipment amounting to ₹ 83.34 million and purchase of other intangible assets amounting to ₹ 11.35 million, which was partially offset interest income on deposits amounting to ₹ 107.60 million.

Fiscal 2023

Net cash used in investing activities was ₹ 3,174.86 million in Fiscal 2023, primarily on account of net movement in bank deposits amounting to ₹ 2,081.45 million, purchase of property, plant and equipment amounting to ₹ 456.23 million, purchase of other intangible assets amounting to ₹ 66.72 million and investments amounting to ₹ 950.47 million, which was partially offset interest income on deposits amounting to ₹ 380.01 million.

Fiscal 2022

Net cash used in investing activities was ₹ 674.27 million in Fiscal 2022, primarily on account of investments amounting to ₹ 1,070.85 million, purchase of property, plant and equipment amounting to ₹ 491.23 million, purchase of other intangible assets amounting to ₹ 31.71 million, which was partially offset interest income on deposits amounting to ₹ 181.70 million, investments amounting to ₹ 625.94 million, and dividend received amounting to ₹ 111.88 million.

Fiscal 2021

Net cash generated from investing activities was ₹ 433.66 million in Fiscal 2021, primarily on account of net movement in bank deposits amounting to ₹ 101.35 million, interest income on deposits amounting to ₹ 326.91 million and dividend received amounting to ₹ 128.69 million, which was partially offset by purchase of property, plant and equipment amounting to ₹ 80.14 million, and purchase of other intangible assets amounting to ₹ 45.65 million.

Financing Activities

Three months ended June 30, 2023

Net cash generated used in financing activities was ₹ 5,475.17 million in the three months ended June 30, 2023 primarily on account of repayment of long term borrowings – term loans amounting to ₹ 9,487.32 million, interest paid on term loans amounting to ₹ 1,390.55 million, repayment of long term borrowings – debentures amounting to ₹ 2,835.33 million, interest paid on debentures amounting to ₹ 411.42 million, interest paid on securitization amounting to ₹ 94.75 million, repayment of overdraft amounting to ₹ 751.74 million, repayment of short term borrowings – commercial paper amounting to ₹ 590.62 million. These were primarily offset on account of security premium amounting to ₹ 1,458.78 million, proceeds from long term borrowings – term loans amounting to ₹ 5,850.00 million, proceeds from long term borrowings – debentures amounting to ₹ 1,500.00 million and proceeds from short term borrowings – commercial paper amounting to ₹ 590.62 million.

Three months ended June 30, 2022

Net cash generated used in financing activities was ₹ 4,909.45 million in the three months ended June 30, 2022 primarily on account of repayment of long term borrowings – term loans amounting to ₹ 5,652.35 million, interest paid on term loans amounting to ₹ 698.60 million, repayment of long term borrowings – debentures amounting to ₹ 3,018.75 million, and interest paid on debentures amounting to ₹ 508.33 million. These were primarily offset on account of proceeds from long term borrowings – term loans amounting to ₹ 5,000.00 million.

Fiscal 2023

Net cash generated from financing activities was ₹ 24,598.28 million in Fiscal 2023 on account of proceeds from long term borrowings – term loans amounting to ₹ 53,427.60 million, increase in security premium amounting to ₹ 2,406.72 million, proceeds from long term borrowings – debentures amounting to ₹ 3,900.00 million proceeds from short term borrowings – commercial paper amounting to ₹ 3,469.57 million and increase in share capital amounting to ₹ 93.28 million. These were primarily offset on account of repayment of long term borrowings – term loans amounting to ₹ 22,622.98 million, interest paid on term loans amounting to ₹ 4,019.42 million, repayment of long term borrowings – debentures amounting to ₹ 6,056.73 million, interest paid on debentures amounting to ₹ 1,311.33 million and repayment of short term borrowings – commercial paper amounting to ₹ 3,469.57 million.

Fiscal 2022

Net cash generated from financing activities was ₹ 3,147.06 million in Fiscal 2022 on account of proceeds from long term borrowings – term loans amounting to ₹ 33,816.70 million, and proceeds from long term borrowings – debentures amounting to ₹ 8,930.00 million. These were primarily offset on account of repayment of long term borrowings – term loans amounting to ₹ 28,530.89 million, interest paid on term loans amounting to ₹ 3,373.90 million, repayment of long term borrowings – debentures amounting to ₹ 5,931.56 million, and interest paid on debentures amounting to ₹ 1,682.91 million.

Fiscal 2021

Net cash generated used in financing activities was ₹ 2,810.88 million in Fiscal 2021 primarily on account of repayment of long term borrowings – term loans amounting to ₹ 25,475.93 million, interest paid on term loans amounting to ₹ 3,159.01 million, repayment of long term borrowings – debentures amounting to ₹ 3,557.50 million, interest paid on debentures amounting to ₹ 858.65 million, interest paid on securitization amounting to ₹ 337.85 million, repayment of short term borrowings – commercial paper amounting to ₹ 23.34 million. These were primarily offset on account of proceeds from long term borrowings – term loans amounting to ₹ 19,724.50 million, proceeds from long term borrowings – debentures amounting to ₹ 11,150.00 million.

Financial Indebtedness

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for onward lending to our borrowers and to meet its business requirements.

As of June 30, 2023, our total borrowings were ₹ 79,410.95 million, excluding direct assignment of ₹ 15,833.68 million. The following table sets forth certain information relating to outstanding indebtedness as of June 30, 2023 and our repayment obligations in the periods indicated:

	Payment due by period				
	Total	**Less than one year**	**1-3 years**	**3-5 years**	**More than 5 years**
	(₹ million)				
Debt securities	13,483.33	3,411.67	5,771.67	1,050.00	3,250.00
Borrowings (other than debt securities)	83,191.81	53,267.82	28,874.95	1,049.03	-
Total Borrowings	**96,675.14**	**56,679.49**	**34,646.62**	**2,099.03**	**3,250.00**

Contingent Liabilities and Commitments

The following table sets forth our contingent liabilities and capital commitments as of June 30, 2023:

Particulars	As of June 30, 2023 (₹ million)
Claims against the company not acknowledged as debt	-
Guarantees excluding financial guarantees	-
Other money for which the Company is contingently liable	
Income Tax	
- Assessment Year 2015-2016	112.45
- Assessment Year 2016-2017	-
- Assessment Year 2017-2018	152.14
- Assessment Year 2020-2021	195.35
- Assessment Year 2021-2022	50.14
Total	**510.08**
Commitments	-

For further information, please see "*Restated Financial Information – Note 41 – Contingent Liabilities and commitments*" on page 384.

Off-Balance Sheet Commitments and Arrangements

Other than as disclosed in this Draft Red Herring Prospectus, we have no other off-balance sheet commitments and arrangements that materially affect our financial condition or results of operations.

Capital Expenditures / Additions to Property, Plant and Equipment

Our capital expenditures consist principally of branch network expansion as well as investments in technology and communication infrastructure. In Fiscal 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, we incurred ₹ 157.20 million, ₹ 1,268.28 million, ₹ 948.04 million, ₹ 296.96 million and ₹ 226.98 million, respectively, towards the purchase of property, plant and equipment, acquiring right to use assets for our leased premises and investment property.

Capital to Risk-weighted Assets Ratios ("CRAR")

The following table sets forth certain details of our CRAR, as of the dates indicated:

Particulars	As of March 31,			As of June 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Tier I Capital	9,396.23	9,439.38	14,069.89	9,059.46	16,887.31
Tier II Capital	1,799.17	2,623.87	4,014.71	2,272.93	4,990.41
Total Capital	**11,195.40**	**12,063.25**	**18,084.60**	**11,332.39**	**21,877.72**
Risk Weighted Assets	**48,831.11**	**59,606.87**	**90,305.04**	**58,828.91**	**94,641.18**
Capital Ratios					
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	19.24%	15.84%	15.58%	15.40%	17.84%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	3.68%	4.40%	4.45%	3.86%	5.27%
Total (%)	**22.93%**	**20.24%**	**20.03%**	**19.26%**	**23.12%**

For further information in relation to CRAR, see "*Risk Factors* **-** *We are subject to laws and regulations governing the financial services industry and particularly to the Microfinance Loans Directions, including laws in relation to capital adequacy ratios. Changes in laws and regulations governing our business could adversely affect our business, results of operations, cash flows and prospects."* on page 36.

Credit Ratings

For information on our credit ratings, see "*Our Business – Credit Ratings and Gradings*" on page 217.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Issue Document Summary – Related Party Transactions*" on page 21.

Quantitative and Qualitative Disclosure about Financial Risk Management Framework

Our Company's Board has overall responsibility for the establishment and oversight of our Company's risk management framework. Our Company manages financial risk relating to the operations through internal risk reports which analyses exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

Credit Risk

Credit risk is the risk that our Company will incur a loss because its borrowers or counterparties fail to discharge their contractual obligations. Our Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. Our Company continuously monitors defaults of borrowers and other counterparties and incorporates this information into its credit risk controls.

In order to manage credit risk, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per the relevant contract. Our Company assesses and manages credit risk based on an internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. Our Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Our Company assigns credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

Liquidity Risk Management

Liquidity risk refers to the risk that our Company cannot meet its financial obligations as they become due. Our Company manages its liquidity risk by ensuring 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 risk to our Company's reputation. Our Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. Our Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Our Company is subject to interest rate risk, principally because our Company lend to borrowers at fixed interest rates and for periods that may differ from our funding sources, while the borrowings are at both fixed and variable interest rates for different periods. Our Company assess and manage the interest rate risk by managing the assets and liabilities. The Asset Liability Management Committee ensures that all significant mismatches, if any, are being managed appropriately.

Our Company has Board approved Asset Liability Management policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Price Risk

Our Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. Our Company has a Board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Foreign currency risk

Our Company is exposed to foreign currency fluctuation risk for its External Commercial Borrowings ("**ECB**"). Our Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated March 26, 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). Our Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved interest rate risk, currency risk hedging policy.

Our Company for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. Our Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved interest rate risk, currency risk hedging policy.

Hedging policy

Our Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. Our Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Auditor's Observations

Our Statutory Auditors have included the following emphasis of matters in their examination report on the Restated Financial Information:

Three months ended June 30, 2022 and June 30, 2023

Our Statutory Auditors have specified that the special purpose interim Ind AS Financial Statements as at and for the three months ended June 30, 2022 and June 30, 2023 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. These special purpose interim Ind AS Financial Statements have been prepared pursuant to the requirements to prepare the Restated Financial Information, which will be included in the Draft Red Herring Prospectus in connection with the Issue. As a result, the special purpose interim Ind AS Financial Statements may not be suitable for another purpose. Our Statutory Auditor's report is intended solely for the use of management and Board of Directors for the Issue and should not be distributed to or used for any other purpose.

Fiscal 2023

"*We draw attention to Note 64 to the Standalone Financial Statements in relation to the restatement of the comparative financial information for the year ended March 31, 2022 relating to the accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the parent entity's accounting policy and the requirements of Ind AS 109 'Financial Instruments'*."

Fiscal 2021

(a) "*We draw attention to Note 2 to the special purpose Ind AS Financial Statements, which describes the basis of preparation. The special purpose Ind AS Financial Statements for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, except that they do not contain comparative information and related disclosures and explanatory notes.*

(b) *The special purpose Ind AS Financial Statements are prepared pursuant to the requirements to prepare the Restated Financial Information, which will be included in the Draft Red Herring Prospectus in connection with the IPO. As a result, the special purpose Ind AS Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed or be used for any other purpose.*

(c) *We draw attention to Note 66 to the special purpose Ind AS Financial Statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's financial performance will depend on future developments, which are highly uncertain. The Financial Statements do not include any adjustments that might result from the outcome of this uncertainty except to the extent stated in the said note.*

(d) *As more fully described in Note 66 to the special purpose Ind AS Financial Statements, the Company has restructured borrower accounts in accordance with resolution framework for COVID-19 related stress announced by the RBI vide notification dated August 6, 2020.*

(e) *We draw attention to Note 52 to the special purpose Ind AS Financial Statements, which describes the adjustments made to the opening reserves to give effect to the prior period errors related to ESOP accounting and consequential tax impact*."

In addition, our Statutory Auditors have included the following other matter in connection with the year ended March 31, 2022:

"The Standalone Financial Statements of the Company as at March 31, 2021 were audited by the predecessor auditor, who have expressed an unmodified opinion on those Standalone Financial Statements vide their audit report dated May 24, 2021."

Our Statutory Auditor's opinion is not modified in respect of any of these opinions. For further information, see, "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 301 and 381, respectively.

Unusual or infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, 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 Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 25 and 384, respectively. Except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

Significant Economic Changes that Materially Affect or are Likely to Affect Income from Continuing Operation

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*—Significant Factors affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 384 and 25, respectively.

Recent accounting pronouncements

As on the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which we believe would have a material effect on our financial condition or results of operations.

New Products or Business Segments

Except as described in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

Future Relationship Between Cost and Income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 187 and 381, respectively, to our knowledge, there are no known factors that will have a material adverse impact on our operations and financial condition.

Significant Dependence on a Single or Few Customers or Suppliers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Competitive Conditions

We operate in a competitive environment. See sections, "*Our Business*", "*Industry Overview*", "*Risk Factors— Our inability to compete effectively in an increasingly competitive industry may adversely affect our Net Interest Margins, Income, Profitability and market share*" and "*— Significant Factors affecting our Results of Operations and Financial Condition – Competition*" on pages 187, 124, 42 and 381, respectively.

Seasonality/Cyclicality of Business

Our business may be affected by seasonal trends in the Indian economy. For further information, see "*Risk Factors* **-** *Our business may be affected by seasonality which may contribute to fluctuations in our results of operations and financial conditions*" on page 49.

Significant Developments After June 30, 2023 That May Affect our Future Results of Operations

Pursuant to a resolution of the shareholders dated August 18, 2023, our Company has made a bonus allotment in the ratio of two Equity Shares for every one Equity Share held by the shareholders of our Company whose names appear in the Register of Members maintained by our Company/ List of Beneficial Owners of the Depository as on the Record Date i.e., August 25, 2023, which were allotted on August 26, 2023.

Other than as disclosed above and elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since June 30, 2023 that could materially and 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 within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at June 30, 2023, derived from our Restated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Financial Information*" and "*Risk Factors*" beginning on pages 381, 301, and 25, respectively.

(₹ in million)

Particulars	Pre-Issue (as at June 30, 2023)	Post Issue[1]
Total borrowings[2]		
Current borrowings[3](A)	56,792.10	**[●]**
Non-current borrowings (including current maturities of long-term borrowings)[3](B)	22,618.87	**[●]**
Total borrowings (C =A+B)	**79,410.97**	**[●]**
Equity		
Share capital (D)[4][5][6][7]	667.61	**[●]**
Other equity[3] (E)	17,381.62	**[●]**
Total Equity (F = D+E)	**18,049.23**	**[●]**
Total Capitalisation (G = C+F)	**97,460.20**	**[●]**
Ratio: Total non-current borrowings (including current maturities of long-term borrowings) / Total Equity (B/F)	**1.25**	**[●]**
Ratio: Total borrowings/ Total Equity (C/F)	**4.40**	**[●]**

Notes:

The amounts disclosed above are derived from the Restated Financial Information of our Company.

(1) The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage, pending the completion of the book building process and hence, the same has not been provided in the above table. To be updated upon finalization of the Issue Price.

(2) Both current and non-current borrowings include debt securities and borrowings (other than debt securities).The figures for current and non-current borrowings reported above are obtained from maturity analysis.

(3) These terms carry the same meaning as per Schedule III of the Companies Act.

(4) Pursuant to a resolution passed by our Shareholders in the EGM held on August 18, 2023, the authorised preference share capital of our Company was sub-divided from ₹100,000,000 divided into 1,000,000 preference shares of face value of ₹100 each to ₹100,000,000 divided into 10,000,000 preference shares of ₹10 each.

(5) Pursuant to a resolution passed by our Shareholders in the EGM held on August 18, 2023, the authorised preference share capital of our Company amounting to ₹100,000,000 divided into 10,000,000 preference shares of ₹10 each was reclassified into 10,000,000 Equity Shares

(6) Pursuant to a resolution passed by our Shareholders in the EGM held on August 18, 2023, the authorised capital of our Company was increased from ₹1,000,000,000 divided into 100,000,000 Equity Shares to ₹3,000,000,000 divided into 30,000,000 Equity Shares.

(7) On August 26, 2023, our Company alloted 133,522,248 Equity Shares pursuant to bonus issuance, in the ratio of two Equity Share for every one Equity Share held by eligible shareholders of our Company holding Equity Shares.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for onward lending to the borrowers of our Company and to meet its business requirements.

For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing powers of the Board*" on page 248.

Set forth below is a table of the aggregate borrowings of our Company, as on August 31, 2023:

(₹ in million)

Category of borrowing	Sanctioned amount*	Outstanding amount*
Fund Based facilities		
Secured		
Term Loans – Banks	80,450.00	55,788.40
Term Loans – Financial Institutions	5,860.00	3,356.70
Securitisation arrangements	6,149.17	4,860.31
ECBs	2,836.00	2,858.88
NCDs	8,330.00	7,781.36
Unsecured		
Term Loans – Financial Institutions	400.00	260.00
NCDs**	7,750.00	7,371.11
Total	**111,775.17**	**82,276.76**

** As certified by M. P. Chitale & Co, Chartered Accountants, pursuant to the certificate dated October 4, 2023*

*** Includes both listed and unlisted non-convertible debentures.*

Principal terms of our outstanding borrowings ("**Borrowings**") availed by our Company:

1. ***Tenor***: The tenure of the term loans and refinance availed by the Company typically ranges approximately one to seven years. Certain short-term loans, commercial papers availed or issued by the Company have a tenure up to 1 year. The tenure of the NCDs issued by the Company is typically 18 months to 84 months.

2. ***Interest***: The interest rates for the term loans and refinance availed by the Company typically ranges from 5.15% per annum to 12.86% per annum, which is linked to the marginal cost of fund-based lending rate or external benchmark rates and RBI repo rates. The Company has also issued Non-Convertible Debentures to various subscribers. For such borrowings, the Company enters 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 the Company typically ranged from 8.40% to 13.50% per annum.

3. ***Security***: In terms of the borrowings, including NCDs, where security needs to be created, the Company is typically required to create security primarily by way of first and Exclusive charge on the Company's book debts and receivables. There may be additional requirements for creation of security under the various borrowing arrangements entered into by the Company.

4. ***Repayment:*** The cash credit and working capital facilities are typically repayable on demand. The repayment period for the term loan facilities availed by us is typically in equal monthly, quarterly and half yearly instalments and bullet payments. The NCDs issued by the Company are repayable on maturity and interest is repayable on quarterly, half yearly and Bullet payments.

5. ***Prepayment:*** Our Company has 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 from 0.5% to 3%. Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, including by providing prior notice to the lender

6. ***Restrictive covenants:*** The loans availed by our Company typically, contain certain key covenants, which require prior approval of, or intimation to, the lenders and other relevant parties for certain specified events on corporate actions, including inter-alia:

    a) Change in capital structure or shareholding pattern or members or ownership of our Company;

    b) Change in the management control of our Company;

    c) Creation of further charge or any other encumbrance on the security provided for our borrowings;

    d) Change or expansion in business activities;

    e) Amendment or modification of constitutional documents of our Company;

    f) Obtaining any facility from a related party other than in ordinary course of business;

g) Withdraw or allow being withdrawn any monies brought in by the promoters and directors or relatives of such promoters or directors;

h) Formulation of scheme of merger, demerger, amalgamation, acquisition, reorganisation, or reconstruction or implementing a new scheme of expansion;

i) Advancing loans to directors, associates, or other companies;

j) Sale or disposal of undertaking;

k) Assign or transfer all or any of our rights, benefits, or obligations under any finance document;

l) Dilution of promoter shareholding and non-maintenance of shareholding of promoters/ directors at the prescribed threshold of typically 51%; and

m) Declaration or payment of dividends by our Company.

7. ***Events of default:*** In terms of the 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 the Company;

c) incorrect or misleading representation, warranty or statement under the facility or debenture documents;

d) occurrence of a material adverse change; and

e) gross default in any indebtedness of the Company.

8. ***Consequences on occurrence of event of default***: In terms of the facility agreements, sanction letters and DTDs, the following, among others, are the consequences of occurrence of events of default, whereby the lenders or trustees (acting on the instructions of the majority debenture holders) may:

a) declare all sums outstanding as immediately due and payable;

b) enforce their security over the hypothecated / mortgaged assets;

c) to disclose the name of the Company to RBI, CIBIL and any other agency authorised in this behalf by RBI; and

d) levy a default interest of up to 0%-3.00% per annum on the overdue amounts.

Further, the trustee may accelerate the redemption of debentures in case of an event of default.

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, the Company has received prior consent from the lenders, as required under the relevant loan documents and intimated other lenders, as applicable for undertaking activities relating to the Offer including consequent actions, such as change in the capital structure, change in constitutional documents, etc. Further, a lender based out of the United States has only provided us with a conditional consent to file this Draft Red Herring Prospectus and has, as on date of this Draft Red Herring Prospectus, not provided prior consent for change in shareholding pattern of the Company, as required under the credit agreement entered into with this lender. For further details please refer, "*Risk Factors - Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, cash flows and financial condition*", on page 28.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the details of the listed outstanding non-convertible debentures issued by our Company. The Company confirms that it is in compliance with the applicable laws with respect to issuance and allotment of such NCDs and with the terms and conditions of such NCDs, including in respect of interest/ payment obligations except for certain instance of breach of covenants in our financing agreements during the three preceding Fiscals and the three months ended June 30, 2023. For further details please refer, "*Risk Factors - Our inability to meet our obligations, including financial and other* *covenants under our debt financing arrangements could adversely affect our business, results of operations, cash flows and financial condition*", on page 28:

S. No.	ISIN	Date of Allotment (as per PAS-3)	List of allottees	Date of Listing	No. of debenture holders as on September 29, 2023	Coupon Rate	Face Value of Security (₹ in million)	Outstanding principal amount as at August 31, 2023 (₹ in million)	Maturity
1.	INE516Q07416	August 27, 2021	Microfinance Enhancement Facility Sa Sicav Sif	September 1,2021	1	10.45% per annum payable semi-annually until the Maturity Date (net of withholding taxes). The Coupon Rate, as on the date of the Debenture Trust Deed, gross of withholding taxes, shall amount to 11.05% .	1.00	730.00	February 27, 2025
2.	INE516Q07424	September 21, 2021	Blueorchard Microfinance Fund	September 23, 2021	1	10.45% per annum payable semi-annually until the Maturity Date (net of withholding taxes). The Coupon Rate, as on the date of the Debenture Trust Deed, gross of withholding taxes, shall amount to 11.05% .	1.00	1,450.00	September 15, 2026
3.	INE516Q07432	November 09, 2021	Northern Arc Capital Limited; Northern Arc Money Market Alpha Trust	November 15, 2021	197	(a) 9.70% (XIRR) (i.e., 9.3% per annum, compounded monthly), if the Final Fixing Level is greater than 25.00% of the Initial Fixing Level; and/or (b) 0.00% (XIRR), if the Final Fixing Level is lesser than or equal to 25.00%) of the Initial Fixing Level.,	1.00	750.00	May 9, 2024
4.	INE516Q07440	September 12, 2022	The South Indian Bank Limited	September 15, 2022	1	9.60%	1.00	1,000.00	September 12, 2024
5.	INE516Q07457	September 28, 2022	Northern Arc Capital Limited; ASK Financial Holdings Private Limited	October 03, 2022	52	Based on 'Reference Index Performance', corresponding 'Annualized Coupon Rate' function' will be applicable Reference Index performance : Annualized Coupon Rate function <= -75% : 0% >-75% : 08.50% XIRR	1.00	1,150.00	September 28, 2024
6.	INE516Q07465	July 20, 2023	Equirus Securities Private Limited	July 24, 2023	32	9.30%	0.10	250.00	January 20, 2026
7.	INE516Q08281	May 30, 2019 (40,000 NCDs) & June 20, 2019 (10,000 NCDs)	Karvy Capital Limited - Excel Portfolio (Two Tranche)	First Tranche - June 03, 2019 (with effect from June 04, 2019) Second Tranche - June 25, 2019 (With effect from June 26, 2019)	714	11.63%	0.01	500.00	May 30, 2024
8.	INE516Q08331	March 26, 2021	AK Capital Finance Limited; AK Stock Mart Private Limited; AK Capital Service Limited	March 31, 2021	1303	11.90%	0.10	1,000.00	June 26, 2026

S. No.	ISIN	Date of Allotment (as per PAS-3)	List of allottees	Date of Listing	No. of debenture holders as on September 29, 2023	Coupon Rate	Face Value of Security (₹ in million)	Outstanding principal amount as at August 31, 2023 (₹ in million)	Maturity
9.	INE516Q08364	September 06, 2021	Northern Arc Money Market Alpha Trust	September 09, 2021	1	10.00%	0.11	100.00	February 23, 2024
10.	INE516Q08398	October 03, 2022	The South Indian Bank Limited	October 07, 2022	1	11.25%	10.00	1,000.00	October 3, 2028
11.	INE516Q08406	November 25, 2022	The Karnataka Bank Limited	November 28, 2022	1	11.25%	10.00	500.00	November 25, 2028
12.	INE516Q08414	March 31, 2023	The Karnataka Bank Limited	April 03, 2023	1	11.25%	0.10	250.00	March 31, 2029
13.	INE516Q08430	July 07, 2023	The South Indian Bank Limited	July 10, 2023	1	11.25%	0.10	1,000.00	July 07, 2030
14.	INE516Q07408	July 29, 2021	India Shelter Finance Corporation Limited; Ess Kay Fincorp Limited; Mas Financial Services Limited; Incred Financial Services Limited; Vivriti Capital Private Limited	August 03, 2021	160	(a) 9.71% (XIRR) (i.e, 9.30% per annum, compounded monthly), if the Final Fixing Level is greater than 25.00% of the Initial Fixing Level; and/or (b) 0.00% (XIRR), if the Final Fixing Level is lesser than or equal to 25.00% of the Initial Fixing Level.	1.00	1,342.00	January 29, 2024
								11,022.00	

Note: Number of debenture holders one day prior to the date of listing was 739 only for INE516Q08281 and for all other outstanding listed NCDs the number of debenture holders one day prior to the date of listing was ranging between one to four.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court) involving the Company, the Promoter and its Directors ("**Relevant Parties**"); (ii) actions (including all penalties and show cause notices) taken by statutory or regulatory authorities against the Relevant Parties; (iii) tax matters involving the Relevant Parties regarding claims related to direct and indirect taxes; and (iv) civil litigations (including arbitration proceedings) involving the Relevant Parties based on the materiality policy adopted by the Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or stock exchanges against our Promoter in the last five Financial Years, including any outstanding action. As on the date of this Draft Red Herring Prospectus, there are no subsidiaries of our Company.*

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on September 22, 2023 has considered and adopted the Materiality Policy, in terms of which, any outstanding litigation involving a claim or an amount which exceeds ₹22.34 million, being the amount equivalent to 1% of the Profit after Tax as per the latest Restated Financial Information, would be considered 'material'. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, performance, prospectus, reputation, results of operations or cash flows of our Company. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 1% of the Profit After Tax as per the Restated Financial Information.

For the purposes of this section, pre-litigation notices (excluding such notices issued by statutory/regulatory/governmental/taxation authorities, FIRs or notices threatening any criminal action, as applicable) shall not be disclosed until litigation proceedings are initiated before a judicial forum. Further, FIRs (whether cognizance has been taken or not) initiated against the Company, its Directors, its Promoter, Group Companies shall be disclosed.

Furthermore, except as stated in this section and in terms of the Materiality Policy, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of trade payables) of our Company having a monetary value which exceeds 5% of the total trade payables of our Company as of June 30, 2023, shall be considered as 'material'. Accordingly, as on June 30, 2023, any outstanding dues exceeding ₹0.34 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.

Litigation involving our Company

Litigation against our Company

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

1. Our Company received an email dated May 2, 2023, from the BSE ("**Notice**") alleging delayed/ non-compliance of Regulation 57(1) of the SEBI Listing Regulations in relation to our Company's NCDs being listed on the BSE and imposing a penalty of ₹0.01 million ("**Penalty**") on our Company for March 2023. Our Company, pursuant to their email dated May 3, 2023, clarified that compliance was in fact made in time and requested the BSE to grant a waiver from payment of the Penalty. This matter is currently pending.

2. Our Company received an email dated September 28, 2022 from the BSE ("**Notice**") alleging delay in submission of the notice of record date under Regulation 60(2) of the SEBI Listing Regulations and imposing a penalty of ₹0.04 million ("**Penalty**") on our Company. Our Company, pursuant to their letters dated October 14, 2022 and October 21, 2022 requested the BSE to grant a waiver from payment of the Penalty. Basis directions received from BSE, our Company has paid ₹0.01 million and is currently awaiting a response on the request for the waiver in relation to the balance portion of the Penalty. This matter is currently pending.

Material Civil Litigation

There is no outstanding material civil litigation against our Company wherein the amount involved exceeds ₹22.34 million. Further, there is no outstanding litigation wherein monetary liability is not quantifiable, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

Other matters

1. Certain of our customers have filed three complaints against our Company before the District Consumer Disputes Redressal Commission under the Consumer Protection Act, 2019 in relation to the loans availed from our branches. The aggregate amount involved in these matters is ₹0.40 million These matters are pending as on date.

Litigation by our Company

Criminal Litigation

1. Our Company has, in the ordinary course of its business, filed 52 complaints against various persons before various judicial authorities across the country alleging violation of *inter alia* Sections 120B, 403, 406, 409, 415, 420, 467, 468, 471 of the IPC for obtaining a court direction to register FIRs involving matters, in relation to, inter alia, committing fraud against the Company, cheating and forgery against the Company. These are pending as on the date of this Draft Red Herring Prospectus. The aggregate amount involved in these matters is ₹22.37 million.

2. Our Company has filed 22 criminal cases against various former employees of the Company alleging violation of *inter alia* Sections 406, 408, 409, 420, 467, 468, 471 and 34 of the IPC, in relation to misappropriation of funds. These matters are currently pending at different stages of adjudication in various forums. The aggregate amount involved in these matters is ₹17.69 million.

3. Our Company has filed 248 police complaints against various persons including the Company's staff alleging violation of *inter alia* Sections 34, 406, 408, 409, 419, 420, 421, 467, 468, 471, 381, 378 , 379, 392, 395 and 398 of the IPC, for, *inter alia*, committing fraud against the Company, robbing the Company, attacking its staff and stealing cash and pledging spurious gold as collateral for availing debt financing from the Company. These complaints are currently pending in various police stations. The aggregate amount involved in these complaints is ₹273.22 million.

4. Our Company has, in the ordinary course of its business, filed 293 complaints against various persons under Section 200 of the CrPC and Section 138 of the NI Act in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before several judicial authorities in the country. The aggregate amount involved in these matters is ₹115.38 million.

Material Civil Litigation

1. Our Company has initiated arbitration proceedings against Prabal Gurung and Goray Gurung for disputes arising in relation to non-repayment of dues amounting to ₹40.56 million. The matter is currently pending before the arbitrator.

2. Our Company has initiated arbitration proceedings against Md. Sahanawaj ("**Respondent No. 1**") and Md. Kamruddin (together with Respondent 1 "**Respondents**") for disputes arising in relation to non repayment of dues amounting to ₹40.54 million. The matter is currently pending before the arbitrator. In connection with the same, our Company has also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 against the Respondents before the District Judge, Uttar Dinajpur alleging that during the course of an internal audit, it was discovered that gold amounting to ₹92.05 million was missing from the branch pursuant to which Respondent 1 was arrested by the police. The District Judge on August 29, 2023 has granted temporary relief to our Company by injuncting the Respondents from taking any step to alienate the suit property.

Other matters

3. Our Company has initiated 1,174 arbitration proceedings under the Arbitration and Conciliation Act, 1996 against several MSME, SME and MFI customers for default in repayment of loans and the accounts being classified as NPA. The aggregate amount involved in these matters is ₹145.70 million. While the award has been granted by the arbitrator in several cases and the same are pending for execution and completion, some matters are currently pending before the arbitrator at various stages of adjudication.

4. Our Company has initiated 56 arbitration proceedings under the Arbitration and Conciliation Act, 1996 against various persons for pledging of spurious or stolen gold as collateral for availing financing from the Company. The aggregate amount involved in these matters is ₹9.88 million. While the award has been granted by the arbitrator in several cases and the same are pending for execution and completion, some matters are currently pending before the arbitrator at various stages of adjudication.

5. Our Company has initiated 222 arbitration proceedings under the Arbitration and Conciliation Act, 1996 against various former employees for recovery of amounts owed by such former employees to the Company. The aggregate amount involved in these matters is ₹146.49 million. While the award has been granted by the arbitrator in several cases and the same are pending for execution and completion, some matters are currently pending before the arbitrator at various stages of adjudication.

6. Our Company has filed 6 complaints against M/s United India Insurance Company ("**Insurer**") before the District Consumer Forum, Chennai under Section 35 of the Consumer Protection Act, 2019 for directing the Insurer to settle the fidelity insurance claim initiated by our Company. The aggregate amount involved in these matters is ₹11.51 million. These matters are pending as on date.

Litigation involving our Promoter

Litigation against our Promoter

Criminal Litigation

1. Various persons have registered 15 FIRs in various police stations in Karnataka under sections 3 and 4 and other provisions of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 ("**Prohibition Act**") against our Promoter and our Chairman, Vazhappully Padmanabhan Nandakumar alleging that our Promoter has been charging exorbitant interest on gold loan. Subsequently, an order was passed by the High Court of Karnataka on the basis of an order passed by the Supreme Court, pursuant to which it was held that the Prohibition Act is not applicable to our Promoter. Pursuant to this, our Promoter, is in the process of filing writ petitions to quash the FIRs. These matters are currently pending.

2. Amarjeet Kumar ("**Petitioner**") has filed a criminal case under Sections 420 and 421 of the IPC against our Promoter alleging that our Promoter forcibly took possession of the Petitioner's vehicle which was pledged with our Promoter and sold it in an auction. This matter is currently pending.

3. Saravanan A ("**Petitioner**") has filed a FIR under Sections 409, 418, 420, 423, 468, 477A of the IPC against the employee of our Promoter alleging that the employee of our Promoter has fraudulently taken possession of his vehicle. This matter is currently pending.

4. Vaisakh A P ("**Petitioner**") has filed an FIR under Sections 341, 323,427 and 34 of the IPC against our Promoter alleging that employees of the Promoter, in an attempt to seize the pledged vehicle of Petitioner for non-payment of dues, injured the Petitioner and damaged the property of the Petitioner. This matter is currently pending.

5. Francis Kannookadan ("**Petitioner**") has filed an FIR under Sections 447, 506 and 34 of the IPC against our Promoter alleging that employees of the Promoter, in an attempt to seize the pledged vehicle of Petitioner for non-payment of dues, injured the Petitioner and damaged the property of the Petitioner. This matter is currently pending.

6. Sumitra Pradhan ("**Petitioner**") has filed an FIR before the Nayappily Police Station, Orissa under section 406 of the IPC against the branch head, Nayapalli Branch alleging that our Promoter has auctioned the gold pledged by the Petitioner before expiry of the notice period. This matter is currently pending.

7. Pradipa A.N. ("**Petitioner**") has filed a private complaint before the Civil Judge and JMFC Channarayapatna under Sections 420, 409 and 34 of the IPC against our Promoter alleging that our Promoter has auctioned the gold pledged by the Petitioner before expiry of the notice period. This matter is currently pending.

8. Sundar Raj ("**Petitioner**") has filed an FIR before the Sheshadripuram Police Station under Section 420 of the IPC and Section 3 of Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 against our Promoter and our Chairman, Vazhappully Padmanabhan Nandakumar alleging that our Promoter has been charging exorbitant interest on gold loan. This matter is currently pending.

Actions taken by Regulatory and Statutory Authorities

1. Our Promoter received a show cause notice March 9, 2020 from RBI for non-compliance with Para 26 (2) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and circular dated January 8, 2014 on "NBFC-Lending Against Security of Single Product – Gold Jewelry" for failing to keep a record of verification of ownership of jewelry pledged by the borrowers and absence of a board of directors approved policy in this regard. A penalty of ₹0.50 million was imposed on our Promoter. Our Promoter has paid the penalty imposed by RBI on November 23, 2020 and as on the date of this Draft Red Herring Prospectus, it has not received any further correspondence from RBI.

2. Our Promoter received a show cause notice dated September 7, 2021 from RBI, on the basis of the off-site inspections conducted by RBI during October 2020, in relation to certain violations of the Master Directions on Issuance and Operation of Prepaid Payment Instruments dated October 17, 2017. Subsequently, RBI imposed a monetary penalty of ₹1.76 million

on March 24, 2022. Our Promoter has paid the penalty imposed by RBI and as on the date of this Draft Red Herring Prospectus, has not received any further correspondence from RBI.

3. Our Promoter received a show cause notice dated January 27, 2023 from RBI for non-compliance of provisions of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 for non-compliance with the aforesaid directions to the extent that our Promoter did not (i) classify certain gold loan accounts with overdue of more than 90 days as NPAs, and (ii) ensure maintenance of the mandated LTV ratio in certain gold loan accounts during Financial Year 2021. A monetary penalty of ₹2.00 million was imposed on our Promoter. Our Promoter has paid the penalty imposed by RBI on July 1, 2023 and as on the date of this Draft Red Herring Prospectus, our Promoter has not received any further correspondence from RBI.

4. Our Promoter received a show cause notice dated June 7, 2023, from RBI, on the basis of the off-site inspections conducted by RBI during July 2022 for alleged contraventions under Section 26(6) of the Payment and Settlements Systems Act, 2007. RBI, in the aforementioned show cause notice asked our Promoter to justify as to why a monetary penalty of ₹7.80 million should not be imposed. Our Promoter has submitted a response dated June 21, 2023, requesting permission for a personal hearing before RBI.

5. Our Promoter received a show cause notice dated July 17, 2023, from RBI, on the basis of the inspections conducted by RBI with reference to the financial position as on March 31, 2022 for alleged contraventions and non-compliance with directions issued by RBI under the Reserve Bank of India Act, 1934. Our Promoter has submitted a response dated August 5, 2023, requesting permission for a personal hearing before RBI, which is scheduled for October 12, 2023.

Disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoter in the five Financial Years preceding the date of this Draft Red Herring Prospectus

1. Our Promoter, along with certain individuals including I. Unnikrishnan, Sachin Agarwal, Vazhappully Padmanabhan Nandakumar, Blangat Narayanan, Raveendra Babu and Rajesh Kumar K., (collectively as "**Noticees**") received a show cause notice dated May 29, 2019 from SEBI for the alleged violations under, *inter alia*, SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015, Clause 36 of the listing agreement along with Section 21 of Securities Contract Regulation Act, 1956, Section 12A(c) and 12A (d) of SEBI Act, 1992 read with certain regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 in matter of selective disclosure of 'unpublished price sensitive information' by our Promoter to certain analysts of an intermediary before disclosing it to the stock exchanges. Subsequently, our Promoter, Blangat Narayanan Raveendra Babu and Vazhappully Padmanabhan Nandakumar, each submitted a settlement application ("**Settlement Applications**") under Section 3 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. The High-Powered Advisory Committee ("**HPAC**") considered the Settlement Applications and recommended the case for settlement upon payment of (i) ₹20.12 million by MAFIL; (ii) ₹1.55 million by Blangat Narayanan Raveeendra Babu; and (iii) ₹1.55 million by Vazhappully Padmanabhan Nandakumar (collectively, "**Settlement Amounts**") as the settlement charges. The panel of whole-time members of SEBI approved the recommendation of HPAC and accordingly our Promoter, Blangat Narayanan Raveeendra Babu and Vazhappully Padmanabhan Nandakumar paid their respective Settlement Amounts. Consequently, SEBI by its order dated July 8, 2020 disposed the adjudication proceedings.

2. Our Promoter had received letters each dated January 31, 2019, from BSE and NSE imposing a fine of ₹0.13 million each for the non-compliance of Regulation 18(1) of the SEBI Listing Regulations during the quarter ended December 2018. Our Promoter has paid the fine imposed and reconstituted the audit committee in compliance with SEBI Listing Regulations and as on the date of this DRHP, has not received any further correspondence from BSE and NSE.

3. Our Promoter had received letters each dated May 2, 2019, from BSE and NSE imposing a fine of ₹0.08 million each for the non-compliance of Regulation 18(1) of the SEBI Listing Regulations during the quarter ended March 31, 2019. Our Promoter has paid the fine imposed and reconstituted the audit committee in compliance with SEBI Listing Regulations and as on the date of this DRHP, has not received any further correspondence from BSE and NSE.

4. Our Promoter had received letters each dated November 6, 2019, from BSE and NSE imposing a fine of ₹0.01 million each for the non-compliance with Regulation 44(3) of the SEBI Listing Regulations. Our Promoter had requested BSE and NSE to provide a waiver in relation to the said non-compliance, which was denied. Subsequently, our Promoter has paid the fine imposed and as on the date of this DRHP, has not received any further correspondence from BSE and NSE.

5. Our Promoter had received an email dated September 28, 2022, from BSE imposing a fine of ₹0.10 million for the non-compliance of Regulation 60(2) of the SEBI Listing Regulations. Our Promoter had requested for a waiver of the aforesaid fine which was subsequently waived by the BSE.

6. Our Promoter had received an email dated August 9, 2023 from BSE imposing a fine of ₹0.03 million for non-compliance of Regulation 57(1) of SEBI LODR Regulations. Our Promoter had requested to set-off the penalty imposed with the waiver granted by BSE under Regulation 60(2) with respect to the email dated September 28, 2023. Our Promoter has not received any further correspondence from BSE as on the date of the DRHP.

In addition, in the past, our Promoter and our director, Vazhappully Padmanabhan Nandakumar have received various communications from SEBI and RBI seeking information, clarifications and data in relation to, *inter alia*, operations and deposits accepted by Manappuram Agro Farms(*which is the proprietary concern of Vazhappully Padmanabhan Nandakumar*), the formulation of the code of internal procedure and conduct and code of corporate disclosure practices and delay in the processing of re- materialisation requests of investors of MAFIL which has been duly provided by our Promoter and our director, Vazhappully Padmanabhan Nandakumar. Our Promoter and our Director, Vazhappully Padmanabhan Nandakumar have not received any subsequent communication from these authorities in relation to these matters.

Material Civil Litigation

Nil

Litigation by our Promoter

Criminal Litigation

1. Our Promoter has, in the ordinary course of its business, filed 22,909 complaints against various persons under Sections 200 of the CrPC read with Section 138 of the NI Act in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before various judicial authorities across India. The aggregate amount involved in these matters is ₹5,157.24 million.

2. Our Promoter has filed 193 complaints under Sections 420, 421, 408, 120, 467 and 468 of the IPC against various individuals, including ex-employees, customers and third parties for cheating, misappropriation of funds of our Promoter, robbery, theft and fraud. These matters are currently pending before various jurisdictions. The aggregate amount involved in these matters is ₹330.52 million.

3. In the ordinary course of business, various customers of our Promoter pledge gold to avail financial assistance. In various instances, the police issue summons under Section 91 of the CrPC and seize the gold pledged with our Promoter which is a subject matter of third-party litigations. In connection with this, our Promoter has filed 136 custody petitions under Sections 451, 457 and 452 of the CPC before various judicial authorities across India for return of the seized gold. The aggregate amount involved in such matters is ₹177.53 million. 45 of such cases were dismissed and our Promoter has filed revision petitions for the same. These matters are currently pending at various stages.

4. Our Promoter has, in the ordinary course of its business, filed 868 complaints against various persons before various judicial authorities across the country under Sections 120B, 403, 406, 409, 415, 420, 467, 468, 471 of the IPC for obtaining a court direction to register FIRs in matters involving matters, in relation to, inter alia, committing fraud against MAFIL, cheating and committing forgery against MAFIL. These are pending as on date. The aggregate amount involved in these matters is ₹416.40 million.

5. Our Promoter, along with Vazhappully Padmanabhan Nandakumar in certain cases have filed 39 writ petitions under Articles 226 and 227 of the Constitution of India and Section 482 of the CrPC before various state High Courts across India requesting a writ of mandamus be issued against respective state police in connection with issue of notices under Section 91 by the police to seize gold pledged with our Promoter for the purpose of investigation related to third-party litigations. These matters are currently pending as on date. The aggregate amount involved in these matters is ₹52.38 million.

Material Civil Litigation

1. Our Promoter has initiated arbitration proceedings under Section 21 of the Arbitration and Conciliation Act 1996 against Rajendra Kissanlal Jain seeking *inter alia*, an amount of ₹44.35 million in relation to pledge of stolen gold. The Arbitral tribunal has passed an award dated August 5, 2019 ("**Award**") in the favour of our Promoter. Our Promoter has filed an execution petition to enforce the Award which is currently pending.

2. Our Promoter has initiated arbitration proceedings under Section 21 of the Arbitration and Conciliation Act 1996 against an ex-employee, Sanjay Singh Shekhawat seeking *inter alia*, an amount of ₹31.80 million in relation to a robbery of gold ornaments. The arbitral tribunal passed an award dated March 5, 2022 ("**Award**") in favour of our Promoter. Our Promoter has filed an execution petition to enforce the Award which is currently pending.

3. Our Promoter has initiated arbitration proceedings under Section 21 of the Arbitration and Conciliation Act 1996 against an ex-employee, Binoy NS ("**Respondent**") seeking *inter alia*, an amount of ₹26.30 million alleging that the Respondent had, in collusion with a third party, supplied inferior quality E-security cameras to our Promoter as well as forged several bills. The arbitral tribunal passed an award dated January 27, 2020 ("**Award**") in favour of our Promoter. Our Promoter has filed an execution petition to enforce the Award which is currently pending.

4. Our Promoter has filed notice dated February 11, 2020 for enforcement of security interest under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 to CJ Anto whose

account has been classified as a non-performing asset since July 31, 2019 due to default in repayment of ₹34.14 million. This matter is currently pending.

Other Matters

5. Our Promoter has filed 37 consumer complaints before various consumer forums under the Consumer Protection Act, 2019 against various insurance companies alleging delay or non -processing of insurance claims in connection with robberies which took place in certain of our Promoter's branch offices. These complaints are currently pending at different stages of adjudication before various consumer forums. The aggregate amount involved in these complaints is ₹523.25 million.

Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

1. For criminal litigation against Vazhappully Padmanabhan Nandakumar, please see *"–Litigation involving our Promoter – Litigation against our Promoter - Criminal Litigation*" on page 424.

Actions taken by Regulatory and Statutory Authorities

Vazhappully Padmanabhan Nandakumar

1. Our Chairman, Vazhappully Padmanabhan Nandakumar, has received a letter dated October 19, 2015 from SEBI seeking information pertaining to operations of Manappuram Agro Farms, its books of accounts, bank accounts including escrow account details alleging violation of the provisions of SEBI (Collective Investment Schemes) Regulations, 1999 and SEBI Act. Vazhappully Padmanabhan Nandakumar had responded to the queries raised by SEBI pursuant to letters dated November 25, 2015 and December 4, 2015. Subsequently, Vazhappully Padmanabhan Nandakumar received another letter from SEBI dated May 2, 2016 seeking further clarification and information based on the documents provided earlier. Vazhappully Padmanabhan Nandakumar had provided all the relevant documents as requested by SEBI pursuant to letter dated May 26, 2016.

2. Our Chairman, Vazhappully Padmanabhan Nandakumar, in his capacity as director of Lions Association, has received 5 show cause notices each dated September 8, 2023, from officers of various registrar of companies, in the matter of M/s Lions Co-ordination Committee of India Association ("**Lions Association**"), in relation to alleged non-compliance of Sections 129, 134(3)(b) and 134(3)(h) of the Companies Act. The matter is currently pending.

3. The Labour Inspector, Gwalior had inspected our branch at Morar, Gwalior pursuant to which had issued a notice dated December 1, 2018 under Section 44 of the Madhya Pradesh Shops and Establishments Act, 1958 ("**Act**") alleging that the registers are not being maintained at the branch as required under the Act. The Labour Department, Gwalior has filed a case before the Chief Judicial Magistrate, Gwalior against our Director, Vazhappully Padmanabhan Nandakumar. This matter is currently pending.

Enforcement Directorate

1. The Enforcement Directorate through its letter dated November 30, 2015 has pursuant to a requisition under Section 37(3) of the FEMA read with Section 133(6) of IT Act requested Vazhappully Padmanabhan Nandakumar to furnish certain information. Vazhappully Padmanabhan Nandakumar responded to the requisitions through letter dated December 8, 2015 including, inter alia, his personal bank account statements, names and addresses of sister companies and concerns of M/s Manappuram Finance, details of movable and immovable properties purchased in his name and in the name of his family members etc. No subsequent communication has been received by Vazhappully Padmanabhan Nandakumar in this regard. The Enforcement Directorate, Kochi issued a summons dated May 25, 2018 to Vazhappully Padmanabhan Nandakumar under section 37(1) and (3) of the FEMA, read with Section 131(1) of IT Act and Section 30 of the CPC with respect to certain information in relation to the Manappuram group of companies under the provisions of the FEMA. Vazhappully Padmanabhan Nandakumar through letters dated June 6, 2018, June 13, 2018, July 2, 2018 and September 05, 2018 provided the information sought which included but was not limited to, the approval of foreign direct investment in MAFIL company i.e. MAFIL, sources of repayment of Manappuram Agro Farm deposits, details of certain loans taken. Also, Vazhappully Padmanabhan Nandakumar appeared in person before the Enforcement Directorate on June 7, 2018, June 13, 2018, July 09, 2018 and September 5, 2018 provided the details. Subsequently, the Enforcement Directorate, Kochi issued a summons dated December 12, 2018 to Vazhappully Padmanabhan Nandakumar under section 37(1) and (3) of the FEMA, read with Section 131(1) of IT Act and Section 30 of the CPC with respect to certain information in relation to the Manappuram group of companies under the provisions of the FEMA and also directed him to appear in person on December 21, 2018. Vazhappully Padmanabhan Nandakumar through letter dated January 30, 2019 provided all requested information including, *inter alia*, membership register and Member Applications submitted by members for the period from January 1, 2010 to January 2019 of Maben Nidhi Limited. No subsequent communication has been received by Vazhappully Padmanabhan Nandakumar in this regard.

2. P.K. Sagar filed an FIR dated May 24, 2022 ("**FIR**") before the Valappad police station under Section 420 of the IPC against Vazhappully Padmanabhan Nandakumar alleging that Vazhappully Padmanabhan Nandakumar has cheated the public by collecting ₹1,594.56 million in the name of Manappuram Agro Farms through different branches of MAFIL from the public. Basis this FIR, the Enforcement Directorate, Kochi Zonal office filed enforcement case information report dated June 9, 2022 ("**ECIR**") and issued a summons dated November 30, 2022 to Vazhappully Padmanabhan Nandakumar under provisions of the Prevention of Money Laundering Act, 2022 ("**PMLA**") directing him to appeal in person on December 5, 2022 along with certain information and documents. Vazhappully Padmanabhan Nandakumar through letters dated December 5, 2022 and December 7, 2022 provided all requested information. The Vallapad police submitted a final report on January 19, 2023 to the Judicial First Class Magistrate, Kodungallur specifying that the FIR filed was false and fictitious and the FIR stands closed. Additionally, the Enforcement Directorate issued an order dated May 4, 2023 ("**PMLA Order**") under Section 17 (1-A) of the PMLA to freeze the personal assets of Vazhappully Padmanabhan Nandakumar. In connection to these, Vazhappully Padmanabhan Nandakumar had filed a (i) writ petition dated May 10, 2023 before the High Court of Kerala at Ernakulam ("**High Court**") for quashing of the PMLA Order and (ii) a criminal miscellaneous petition dated June 27, 2023 before the High Court for quashing the ECIR. The High Court, pursuant to its order dated August 25, 2023 has quashed the ECIR and all further proceedings clarifying that in the event of the predicate offence getting revived, it would always be open for the Enforcement Directorate to revive the proceedings under the PMLA. Additionally, pursuant to order dated September 12, 2023 of the High Court, the personal assets of Vazhappully Padmanabhan Nandakumar were released.

Material Civil Litigation

Nil

Material Tax Litigation

Nil

Litigation by our Directors

Criminal Litigation

Vazhappully Padmanabhan Nandakumar

1. Asit Kumar Mishra ("**Complainant**") has filed a criminal complaint under Section 420 of the IPC ("Complaint") against our Chairman, Vazhappully Padmanabhan Nandakumar, and a branch employee of MAFIL, alleging that MAFIL fraudulently auctioned the gold pledged by the Complainant. In response, our Chairman, Vazhappully Padmanabhan Nandakumar, has filed a writ petition in the High Court of Patna to quash the Complaint. The amount involved in the matter is ₹0.28 million. This matter is currently pending..

2. Ayon Bhattacharya and Arpita Sen ("**Complainant**") had filed a private complaint before the Additional Chief Judicial Magistrate, Barrackpore ("**Complaint**") against our Chairman, Vazhappully Padmanabhan Nandakumar and the sole arbitrator alleging that the ex-parte arbitration award was in violation of the principles of law. Our Chairman, Vazhappully Padmanabhan Nandakumar, has filed a criminal revision petition in the High Court of West Bengal at Calcutta to quash the Complaint. The amount involved in the matter is ₹1.02 million. This matter is currently pending.

3. For criminal litigation by Vazhappully Padmanabhan Nandakumar, please see "*–Litigation involving our Promoter – Litigation by our Promoter - Criminal Litigation*" on page 426.

Sumitha Jayasankar

Sumitha Jayasankar filed an application dated October 28, 2022 before the Judicial First Class Magistrate - IX, Ernakulam ("**JFMC**") under Section 23 of the Protection of Women from Domestic Violence Act, 2005, against Jayasankar ("**Respondent**") for certain alleged offences punishable under the Protection of Women from Domestic Violence Act, 2005 seeking an interim protection order and reliefs. An interim order dated October 28, 2022 has been passed by the JFMC restraining the Respondent and this matter is currently pending.

Material Civil Litigation

Nil

Claims related to Direct and Indirect Taxes

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoter and Directors:

Nature of case	Number of cases	Amount involved (₹ in million)(1)
Our Company		
Direct Tax	5	731.66
Indirect Tax	4	6.47
Our Promoter		
Direct Tax	5	920.40
Indirect Tax	5	44.91
Our Directors		
Direct Tax	2	33.42
Indirect Tax	Nil	Nil

(1) To the extent ascertainable and quantifiable

Note: Subrata Kumar Atindra Mitra is in receipt of a notice dated October 12, 2022 from the Office of the Commissioner of Income Tax, TDS CIT (TDS) – 1, Mumbai by virtue of being a director/ principal officer on the board of a company in relation to the non-deposit of ₹822.72 million TDS during the Financial Year 2018-19 within the prescribed timeline. This matter is currently pending.

Description of tax matters exceeding the Materiality Threshold

Material tax litigation involving our Company

1. Our Company received a demand notice dated November 13, 2022 ("**Demand Notice**") for the assessment year 2021-22 alleging that our Company claimed certain disallowances from its total income in its Income Tax return for assessment year 2021-22 resulting in a demand of ₹55.74 million. Our Company has filed an appeal against the Demand Notice before the National Faceless Appeal Centre, Delhi. This matter is currently pending.

2. Our Company received an assessment order dated September 9, 2022 ("**Assessment Order**") for the assessment year 2020-21 alleging that our Company had erroneously claimed deductions from total income and reduction in profit because of application of income computation and disclosure standards resulting in a demand of ₹213.44 million. Our Company filed an appeal against the aforementioned Assessment Order with the national faceless appeal centre. The matter is currently pending.

3. Our Company has received a demand notice dated December 30, 2019 ("**Demand Notice**") for the assessment year 2017-18, for adjustments in relation to finance cost on the securitization transaction and the specified bank notes being deposited during the demonetization period resulting in a demand of ₹152.14 million. Our Company has filed an appeal against the Demand Notice with the Commissioner of Income Tax - Appeals. Subsequently, our Company has also paid an amount of ₹12.62 million, as part of deposit under protest. The matter is currently pending.

4. Our Company has received an assessment order dated December 30, 2017 ("**Assessment Order**") for the assessment year 2015-16, in relation to taxing of the receipt of share premium amount received by our Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the IT Act, resulting in a demand of ₹112.45 million. Our Company has filed an appeal against the aforementioned Assessment Order with the Commissioner of Income Tax - Appeals. Subsequently, our Company has paid an amount of ₹22.49 million, being 20% of the total demand as part of deposit under protest. The matter is currently pending.

5. Our Company received a demand notice dated December 30, 2018 ("**Demand Notice**") for the assessment year 2016-17, in relation to taxing of the receipt of share premium amount received by our Company as unexplained cash credits under Section 56(2)(viib) of the IT Act, resulting in a demand of ₹197.89 million. Our Company has filed an appeal with the Commissioner of Income Tax – Appeals. Subsequently, our Company has paid an amount of ₹39.57 million, being 20% of the total demand as part of deposit under protest. The matter is currently pending.

Material tax litigation involving our Promoter

1. Our Promoter received an Assessment Order dated December 12, 2017 ("**Assessment Order**") under Section 143 (3) of the IT Act demanding an amount of ₹456.50 million which was subsequently reduced to a balance tax of ₹7.50 million, due to certain deductions received. However, there is a balance demand of ₹299.70 million (total ₹307.20 million) due to disallowance of write-off of NPA accounts during the assessment year 2015-16 as the taxing of NPA accounts (notional interest) in Assessment Year 2015-16. An appeal dated January 17, 2018 was filed against the Assessment Order before the CIT (Appeals). An additional ground of appeal was subsequently filed on January 23, 2020. This appeal is currently pending.

2. Our Promoter received an assessment order dated March 25, 2022 ("**Assessment Order**") under Section 143(3) read with Section 263 of the IT Act demanding an amount ₹107.00 million alleging, taxing of profit on sale of mutual fund (listed securities) to be treated as current asset instead of capital as claimed for the assessment year 2015-16. Our Promoter has

filed an appeal dated August 30, 2022, against the Assessment Order before the CIT (Appeals). This Appeal is currently pending.

3. Our Promoter received an assessment order dated December 30, 2022 ("**Assessment Order**") under section 143(3) of the IT Act demanding an amount of ₹462.70 million alleging, *inter alia*, hedging profit is liable to be taxed without setting off hedging loss during Assessment Year 2020-21. Our Promoter has filed an appeal dated January 28, 2023, against the Assessment Order before the CIT (Appeals) This Appeal is currently pending.

4. Our Promoter received an assessment cum demand order dated February 2, 2018 ("**Assessment Order**") under Section 25(1) of the Karnataka Value Added Tax Act, 2003 demanding an amount of ₹34.40 million alleging, *inter alia*, unaccounted sales, purchases difference in closing stock for the Financial Year 2014-15. Our Promoter has filed an appeal dated February 20, 2018 against the Assessment Order before the Joint Commissioner, KVAT Thrissur. This Appeal is currently pending.

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of June 30, 2023, based on the Restated Financial Information of our Company was outstanding, were considered 'material' creditors. Our total trade payables as of June 30, 2023, was ₹6.86 million and accordingly, creditors to whom outstanding dues as of June 30, 2023, exceed ₹0.34 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Details of outstanding dues towards our material creditors are available on the website of our Company at https://asirvadmicrofinance.co.in/offer-document-related-fillings/

Based on the Materiality Policy, details of outstanding dues owed as of June 30, 2023, by our Company, on a consolidated basis are set out below:

Type of creditors	Number of Creditors	Amount (₹ in million)
Material creditors	4	4.05
Micro, Small and Medium Enterprises	Nil	Nil^
Other creditors	96	2.81
Total	**100**	**6.86**

^Less than ₹0.01 million

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments After June 30, 2023 that may affect our future Results of Operations*" on page 416 and as otherwise disclosed in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations to carry out our present business activities and to undertake the Issue. Set out below is an indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are material and necessary for undertaking our business, and except as mentioned below, no further material approvals are required to carry on our present business activities. Certain of our key approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures, as necessary. For further details, in connection with the applicable regulatory and legal framework within which we operate, see "Risk Factors -Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business, cash flows and results of operations" and "Key Regulations and Policies" on pages 36 and 221, respectively.

I. Material approvals in relation to the Issue

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures – Authority for the Issue*" on page 433.

II. Material approvals in relation to our Company

We require various approvals to carry on our business in India. We have received the following material government and other approvals pertaining to our business.

A. *Material approvals in relation to incorporation*

1. Certificate of incorporation dated August 29, 2007 issued by the RoC to our Company, in its former name, being Asirvad Micro Finance Private Limited.

2. Fresh certificate of incorporation dated September 1, 2016 issued by the RoC to our Company consequent upon change of name of our Company to 'Asirvad Micro Finance Limited'.

3. Our Company has been allotted the corporate identity number U65923TN2007PLC064550.

B. *Material approvals in relation to our business*

The material approvals in relation to the business operations of our Company are set forth below:

1. The RBI had granted a certificate of registration dated December 14, 2007, allotting registration number N-07-00769, pursuant to which our Company was registered as an NBFC under Section 45-IA of the RBI Act.

2. RBI endorsement on our certificate of registration dated September 27, 2016 granting NBFC-MFI status to our Company with effect from October 4, 2023.

3. Registration with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**") for registration of security interest bearing registration number J1007.

4. Company is registered with the CERSAI Central KYC Registry bearing registration code IN3088.

5. The LEI code number 335800CQBPQECIWA7833 granted by the Legal Entity Identifier India Limited.

C. *Approval from Taxation Authorities*

1. The permanent account number of our Company is AAGCA5275J.

2. The tax deduction account number of our Company is CHEA12838A.

III. Labour-related approvals

Our Company has obtained registrations under various employee and labour-related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, and the relevant shops and establishments legislations.

IV. Material approvals for our branches

Our Company has obtained registrations in the ordinary course of business for our branches and regional offices across various states and union territories in India including trade licenses and licenses for location of business issued by relevant municipal authorities under applicable laws, registrations under Professional tax registrations, the Employees' State Insurance Act, 1948, and shops and establishment registrations issued under the relevant state legislations, as well as registrations from the state labour welfare boards, as applicable. Certain licences may have lapsed in their normal course and our Company has either made an application to the appropriate authorities for fresh registrations or for renewal of existing registrations or is in the process of making such applications. For further details, please see "*Risk Factors – Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business and results of operations*" on page 36.

V. Material approvals applied for but not received

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company has applied for, but which have not been received:

1. Goods and services tax registrations for certain of our branches and offices in the states of West Bengal, Odisha, Bihar, Uttar Pradesh, Telangana, Andhra Pradesh, Jharkhand, Rajasthan, Karnataka and Madhya Pradesh.
2. Registration of establishment under the respective statutes for certain of our branches in the state of Assam, Gujarat, Jharkhand, Odisha, Tamil Nadu, and Uttar Pradesh.

VI. Material approvals expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals of our Company that have expired, and for which renewal is to be applied for.

VII. Material approvals required but not obtained or applied for

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company was required to obtain but which has not been obtained or been applied for:

1. Registration of establishment under the respective shops and establishments acts for certain of our branches in the state of Odisha, Bihar, Jharkhand, Punjab, and Uttar Pradesh.

VIII. Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company has filed trademark applications in the category of "Device" and "Word" for the logomark and wordmark, respectively of 'Asirvad Micro Finance Limited' under class 36 for financial and monetary services. The wordmark application, filed on November 3, 2021, bears the number 5199827 and is currently at the stage of 'accepted and advertised'. The logomark application, submitted on September 14, 2023, carries the number 6110583 and has successfully passed the formality check. Both of these trademark applications are currently in the process of being registered. Our Company has also obtained a no objection certificate from MAFIL dated September 22, 2023 with respect to the usage of MAFIL's name in our logo. For details, see "*Risk Factors - As of the date of this Draft Red Herring Prospectus, our application for trademark of our name and logo remains pending. We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims*" on page 46.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on September 22, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on October 3, 2023.

Our Board and the IPO Committee have approved this Draft Red Herring Prospectus pursuant to resolutions dated October 3, 2023 and October 4, 2023, respectively.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

In terms of the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and the Master Circular -Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs, 2015, as amended, our Company is required to seek the RBI approval for change in the shareholding of our Company beyond 26% or more of the paid-up equity share capital of the Company pursuant to the Issue. However, since there is no change in shareholding of the threshold limit of 26%, ergo, no approval is sought from RBI.

Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, Promoter, members of our Promoter Group and Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoter or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Company, our Promoter or our Directors have been declared as Fraudulent Borrowers.

Directors associated with the Securities Market

Except as stated below, none of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

- Subrata Kumar Atindra Mitra is a director on the board of Centrum Broking Limited, Centrum Capital Limited and PPFAS Asset Management Private Limited, which are registered with SEBI.
- Desh Raj Dogra is a director on the board of Infomerics Valuation and Rating Private Limited, which is registered with SEBI.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of our Promoter Group, severally and not jointly, confirm that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We do not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations, i.e. (i) requirement for maintaining not more than 50% of the net tangible assets in monetary assets under Regulation 6(1)(a) of SEBI ICDR Regulations; and (ii) requirement for maintaining operating profits in each of the preceding three financial years under Regulation 6(1)(b) of SEBI ICDR Regulations. Therefore we are required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

We are therefore required to allot not less than 75% of the Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Further, not more than 15% of the Issue shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1.00 million provided that under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, not more than 10% of the Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number of prospective Allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations and other applicable law, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulations 5 and 7(1), to the extent applicable, of the SEBI ICDR Regulations and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations is as follows:

(i) Our Company, our Promoter, members of our Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoter or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoter, or Directors is a Wilful Defaulter or Fraudulent Borrower (as defined in the SEBI ICDR Regulations);

(iv) None of our Promoter or Directors has been declared as a Fugitive Economic Offender;

(v) Except employee stock options granted pursuant to ESOS 2019, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company along with Registrar to the Company has entered into tripartite agreements dated November 25, 2016 and November 28, 2016 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(vii) The Equity Shares held by our Promoter are in the dematerialised form;

(viii) 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

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and that it will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD

MANAGERS, BEING JM FINANCIAL LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS,THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 4, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors and BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.asirvadmicrofinance.co.in, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoter, members of the Promoter Group and their respective group companies, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter, its Group Companies, their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

The Issue 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, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs (under Schedule I of the FEMA NDI Rules), 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 or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any U.S. federal, state or other securities laws. The Equity Shares may not be transferred or resold except as permitted under the U.S. Securities Act, the applicable state securities laws and any applicable non-U.S. securities laws, pursuant to registration or exemption therefrom. Our Company will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and accordingly is not subject to the protections of the U.S. Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) to persons in the United States and to U.S. Persons who are both, (i) "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**"), and (b) Qualified Purchasers ("**QPs**"), as defined in Section 2(a)(51) of the U.S. Investment Company Act (persons who are both a U.S. QIB and a QP are referred to as "**Entitled QPs**"), pursuant to Rule 144A under the U.S. Securities Act and in accordance with Section 3(c)(7) of the U.S. Investment Company Act, and (ii) to persons who are not U.S. Persons outside the United States, pursuant to 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 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.

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

Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB and a QP with respect to which it exercises sole investment discretion; the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate of our Company;

5. the purchaser acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the U.S. Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the BRLMs shall have the right to request and receive such additional documents, certificates, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements, including a U.S. investment representation letter forming part of the Bid cum Application Form;

6. the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

7. the purchaser understands that, subject to certain exceptions, to be a QP, entities must have US$25 million in "investments" (as defined in Rule 2a51-1 of the U.S. Investment Company Act);

8. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

9. the purchaser is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

10. the purchaser is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

11. the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

12. it, and each person for which it is acting, was not formed, reformed or recapitalized for the purpose of investing in the Equity Shares and/or other securities of the Company;

13. if the purchaser, or any person for which it is acting, is an investment company excepted from the U.S Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated thereunder;

14. the purchaser, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both U.S. QIBs and QPs;

15. the purchaser, and each person for which it is acting, has not invested more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both U.S. QIBs and QPs);

16. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre - arrangement or otherwise (such permitted transactions including, for the avoidance of doubt, a bona fide sale on the BSE or NSE). The purchaser agrees not to effect any sale, pledge or other transfer of any Equity

Shares in a transaction unless the purchaser first executes a US Resale Letter in the form of Annexure A to this Red Herring Prospectus and delivers such letter to the Company prior to the settlement if any, of the sale, pledge or other transfer of the Equity Shares that is not consummated on BSE or NSE. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

17. is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

18. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;

19. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

20. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN A OFFSHORE TRANSACTION COMPLYING WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

21. the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

22. the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

23. the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, off icers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

24. the purchaser understands and acknowledges that the Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes , in part, any entity that would be an

investment company under the U.S. Investment Company Act but f or the exclusions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered a "covered fund". Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption under the Volcker Rule. Each purchaser must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares; and

25. the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and the purchaser acknowledges that the Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company , and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser is not purchasing the Equity Shares as a result of any "directed selling efforts" (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act);

5. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

6. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate of the Company;

7. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the U.S. Securities Act);

10. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES

ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVETSMENT COMPANY ACT OF 1940, AS AMENDED ("THE U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT CMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

THE EQUITY SHARES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THE EQUITY SHARES AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK."

11. the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

12. the purchaser understands and acknowledges that the Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes, in part, any entity that would be an investment company under the U.S. Investment Company Act but for the exclusions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered a "covered fund". Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption under the Volcker Rule. Each purchaser must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares; and

13. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Our Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

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. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

ERISA considerations

The following is a summary of certain considerations associated with the purchase and holding of Equity Shares by Benefit Plan Investors. A "Benefit Plan Investor" is (1) an "employee benefit plan" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act, as amended ("**ERISA**")) that is subject to Title I of ERISA, (2) a plan, individual retirement account, "Keogh" plan or other arrangement subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or provisions under any United States federal, state or local laws, or non-U.S. or other laws or regulations that are similar to such provisions of the Code or ERISA, (3) an entity whose underlying assets are considered to include "plan assets" by reason of a plan's investment in such entity (including but not limited to an insurance company general account) (each of (1),(2) and (3), a "**Plan**"), and (4) any entity that otherwise constitutes a "benefit plan investor" within the meaning of the regulations promulgated under ERISA by the U.S. Department of Labor (the "**DOL**"), as modified by Section 3(42) of ERISA (the "**DOL Plan Asset Regulations**").

The following is merely a summary, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their own legal advisors before investing assets of a Plan in Equity Shares and to make their own independent decision.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Plan or the management or disposition of the assets of such a Plan, or who renders investment advice for a fee or other compensation to such a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in Equity Shares with a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any similar law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable United States federal, state or local laws, or non-U.S. or other laws or regulations that are similar to the Code or ERISA (collectively, "**Similar Laws**").

Prohibited Transaction Considerations

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 406 of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and may result in the disqualification of an individual retirement account. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code. Regardless of whether or not the underlying assets of the Company (if any) are deemed to include "plan assets," as described below, the acquisition and/or holding of Equity Shares by a Plan with respect to which the Company or an BRLM is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the DOL has issued prohibited transaction class exemptions, or PTCEs, that may apply to the acquisition and holding of Equity Shares. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less, and pays no more, than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied or that any such exemptions will be available with respect to investments in interests in any Equity Shares.

Plan Asset Considerations

The DOL Plan Asset Regulations generally provide that when a Plan acquires an equity interest in an entity that is not (1) a "publicly-offered security," (2) a security issued by an investment company registered under the Investment Company Act, or (3) an "operating company," the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established that the equity participation in the entity by Benefit Plan Investors is not "significant" (the "**Insignificant Participation Test**").

For purposes of the DOL Plan Asset Regulations, an "operating company" is an entity that is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service, other than the investment of capital. It is anticipated that the Company will qualify as an operating company within the meaning of the DOL Plan Asset Regulations, although no assurance can be given in this regard.

For purposes of the Insignificant Participation Test, the DOL Plan Asset Regulations provide that equity participation in an entity by Benefit Plan Investors is not significant if, immediately after the most recent acquisition of an equity interest in the entity, the Benefit Plan Investors' aggregate interest is less than 25% of the value of each class of equity interests in the entity, disregarding, for purposes of such determination, any interests held by any person that has discretionary authority or control with respect to the assets of the Company or who provides investment advice for a fee with respect to the assets of the Company or an affiliate of the Company (each, a "**Controlling Person**") other than Benefit Plan Investors. Following this offering, it is possible that Benefit Plan Investors will hold and will continue to hold, less than 25% of the value of each class of equity interests of the Company, disregarding, for purposes of such determination, any interests held by any Controlling Person other than Benefit Plan Investors and, as such, that the Company may rely on the Insignificant Participation Test; however, we cannot be certain or make any assurance that this will be the case.

Plan Asset Consequences

If assets of the Company were deemed to constitute "plan assets" pursuant to the DOL Plan Asset Regulations, the operation and administration of the Company would become subject to the requirements of ERISA, including the fiduciary duty rules and the "prohibited transaction" prohibitions of ERISA, as well as the "prohibited transaction" prohibitions contained in the Code. If the Company becomes subject to these regulations, unless appropriate administrative exemptions are available (and there can be no assurance that they would be), the Company could, among other things, be restricted from entering into otherwise favorable transactions, and certain transactions entered into by the Company in the ordinary course of business could constitute non-exempt prohibited transactions and/or breaches of applicable fiduciary duties under ERISA and/or the Code, which could, in turn, result in potentially substantial excise taxes and other penalties and liabilities under ERISA and the Code.

Representation

Because of the foregoing, Equity Shares should not be acquired or held by any Benefit Plan Investor or any other person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code and will not constitute a similar violation of any applicable Similar Law.

Any purchaser or subsequent transferee, including, without limitation, any fiduciary purchasing on behalf of a Plan, a Benefit Plan Investor, or a governmental, church or non-U.S. plan which is subject to Similar Laws will be deemed to have represented and warranted, in its corporate and fiduciary capacity, that if the purchaser or subsequent transferee is a Benefit Plan Investor, none of the Company or the BRLMs or any of their respective affiliates, has acted as the Plan's fiduciary (within the meaning of ERISA or the Code), or has been relied upon for any advice, with respect to the purchaser or transferee's decision to acquire and hold Equity Shares, and shall not at any time be relied upon as the ERISA Plan's fiduciary with respect to any decision to acquire, continue to hold or transfer Equity Shares.

The foregoing discussion is general in nature, is not intended to be all-inclusive. Such discussion should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering investing in Equity Shares on behalf of, or with the assets of, any Plan consult with counsel regarding the potential applicability of ERISA, Section 4975 of the Code and Similar Laws to such investment and whether an exemption would be applicable to the acquisition and/or holding of Equity Shares.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax consequences to U.S. Holders (defined below) of acquiring, owning and disposing of Equity Shares, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular person's decision to acquire Equity Shares. This discussion applies only to a U.S. Holder that acquires Equity Shares in the Issue and that owns Equity Shares as capital assets for U.S. federal income tax purposes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury regulations promulgated thereunder, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date of this Red Herring Prospectus. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the Convention Between the government of the United States of America and the government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any U.S. state, local or non-U.S. tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks, financial institutions or financial services entities;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- insurance companies;

- persons holding Equity Shares as part of a hedge, straddle, conversion, constructive sale, integrated transaction or similar transaction;
- governments or agencies or instrumentalities thereof;
- persons liable for the alternative minimum tax;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to our Equity Shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- certain U.S. expatriates or former long-term residents of the United States;
- persons that acquired Equity Shares pursuant to an exercise of employee share options, in connection with employee share incentive plans or otherwise as compensation;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of our outstanding stock; or
- persons owning Equity Shares in connection with a trade or business conducted outside the United States.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of Equity Shares in their particular circumstances.

For purposes of this discussion, a "U.S. Holder" is a person that, for U.S. federal income tax purposes, is a beneficial owner of Equity Shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust or otherwise if the trust has a valid election in effect under current Treasury regulations to be treated as a United States person.

If a partnership (or other entity or arrangement that is classified as a partnership or other pass-through entity for U.S. federal income tax purposes) is the beneficial owner of Equity Shares, the U.S. federal income tax treatment of a partner, member or other beneficial owner in such partnership or other pass-through entity generally will depend on the status of the partner, member or other beneficial owner and the status and activities of the partnership or other pass-through entity holding Equity Shares. Partnerships or other pass-through entities owning Equity Shares and partners, members or other beneficial owners in such partnerships or other pass-through entities should consult their tax advisors as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the Equity Shares.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF EQUITY SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

Taxation of Distributions

Subject to the discussion below under *"—Passive Foreign Investment Company Rules*," the gross amount of any distribution of cash or property paid with respect to our Equity Shares (including any amounts withheld in respect of Indian taxes), will generally be included in a U.S. Holder's gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will be treated first as a non -taxable return of capital, thereby reducing the U.S. Holder's adjusted tax basis in our Equity Shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held our Equity Shares for more than one year as of the time such distribution is actually or constructively received. Because we do not prepare calculations of our earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be taxable to U.S. Holders as dividends, and taxable at ordinary income tax rates.

Dividends on our Equity Shares generally will not be eligible for the dividends-received deduction generally available to U.S. corporations with respect to dividends received from other U.S. corporations. The amount of any dividend paid in Rupees will be the U.S. dollar value of the Rupees calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non -refundable Indian income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by the Company generally will constitute foreign source income in the "passive category income" basket. The rules relating to the foreign tax credit or deduction, if elected, are complex and U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

Sale or Other Taxable Disposition of Equity Shares

Subject to the discussion below under "—*Passive Foreign Investment Company Rules*," a U.S. Holder generally will recognize gain or loss for U.S. federal income tax purpose on the sale, exchange or other taxable disposition of our Equity Shares in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Equity Shares disposed of, in each case as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Equity Shares exceeds one year. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A U.S. Holder's initial tax basis in our Equity Shares will be the U.S. dollar value of the Rupee denominated purchase price determined on the date of purchase, and the amount realized on a sale, exchange or other taxable disposition of our Equity Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If our Equity Shares are treated as traded on an "established securities market," a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual method U.S. Holders that do not elect to be treated as cash-method taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their advisors as to the U.S. federal income tax consequences of the receipt of Rupees.

If any Indian tax is imposed on the sale or other disposition of our Equity Shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Indian tax. Because capital gain or loss, if any, will generally be U.S. source gain or loss for foreign tax credit purposes and a U.S. Holder may use foreign tax credits to offset only the portion of U.S. federal income tax liability that is attributable to foreign -source income, a U.S. Holder may not be able to claim a foreign tax credit for any Indian income tax imposed on such gains unless the U.S. Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Indian income tax imposed on the disposition of Equity Shares in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a corporation organized outside the United States will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the "**income test**") or (b) 50% or more of its assets either produce passive income or are held for the production of passive income in a taxable year (ordinarily determined based on fair market value and averaged quarterly over the year) (the "**asset test**"). For this purpose, "gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transact ions. For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Based on the nature of our business, the composition of our income and assets and the value of our assets, we expect that we were a PFIC for the taxable year ending March 31, 2021, and taking into account certain estimates of the aforementioned items we expect to be classified as a PFIC for the taxable year ending March 31, 2022 and expect to be so classified in future taxable years. We will not provide an annual determination of our PFIC status for any taxable year. However, we expect that we will continue to be a PFIC for each subsequent taxable year, and this summary is based on that expectation. If the Company is or becomes a PFIC, a U.S. Holder who owns our Equity Shares will generally be subject to adverse tax treatment, as discussed in more detail below. Accordingly, you are urged to consult your tax advisors regarding the risks associated with investing in a company that may be a PFIC.

Under attribution rules, if we were a PFIC for any taxable year and any subsidiary or other entity in which we held a direct or indirect equity interest is also a PFIC (a "**Lower-tier PFIC**"), U.S. Holders would be deemed to own their proportionate share of any such Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the following paragraph on (i) certain distributions by the Lower-tier PFIC and (ii) a disposition of equity interests of the Lower-tier PFIC, in each case as if the U.S. Holders held such interests directly, even though the U.S. Holders have not received the proceeds of those distributions or dispositions directly. Generally, a mark-to-market election (as described below) cannot be made for equity interests in a Lower-tier PFIC. Therefore, if we are a PFIC for any taxable year during which you hold our Equity Shares, you generally will continue to be subject to the rules described in the following paragraph with respect to your indirect interest in any Lower-tier PFIC, even if you were to make a valid mark-to-market election with respect to our Equity Shares. You are urged to consult your tax advisors about the application of the PFIC rules to our subsidiaries. Generally, if the Company is a PFIC for any taxable year during which a U.S. Holder holds Equity Shares, the U.S. Holder may be subject to adverse tax consequences.

Generally, gain recognized by a U.S. Holder upon a disposition (including, under certain circumstances, a pledge) of Equity Shares by the U.S. Holder would be allocated ratably over the U.S. Holder's holding period for such Equity Shares. The amounts allocated to the taxable year of disposition and to years before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to the allocated amount. Further, to the extent that any distribution received by a U.S. Holder on the Equity Shares exceeds 125% of the average of the annual distributions on such Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments of the Equity Shares if the Company was a PFIC.

If the Company was a PFIC for any year during which a U.S. Holder owned Equity Shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder held the Equity Shares, even if the Company ceased to meet the threshold requirements for PFIC status.

If we are or become a PFIC, certain elections would result in alternative treatments, such as a mark -to-market election (discussed below) of the Equity Shares, or such as a "qualified electing fund" ("**QEF**") election to include in income the U.S. Holder's share of the corporation's income on a current basis. A U.S. taxpayer may generally make a QEF election with respect to shares of a foreign corporation only if such taxpayer is furnished annually with a PFIC annual information statement as specified in the applicable Treasury regulations. For a U.S. Holder to make a QEF election, we must agree to supply annually to the U.S. Holder the "PFIC Annual Information Statement" described in Treasury Regulations and permit the U.S. Holder access to certain information in the event of an audit by the U.S. tax authorities. We do not intend to provide information necessary f or U.S. Holders to make QEF elections. Therefore, U.S. Holders should assume that they will not receive such information from us and would therefore be unable to make a QEF election with respect to our Equity Shares.

Alternatively, if we are a PFIC for any taxable year and if the Equity Shares are "regularly traded" on a "qualified exchange," a U.S. Holder could make a mark-to-market election with respect to the Equity Shares (but not with respect to any Lower-tier PFICs, if any) that would result in tax treatment different from the general tax treatment for PFICs described above. The Equity Shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the Equity Shares is traded on a qualified exchange on at least 15 days during each calendar quarter. A non-U.S. securities exchange constitutes a qualified exchange if it is regulated or supervised by a governmental authority of the country in which the securities exchange is located and meets certain trading listing, financial disclosure and other requirements set forth in the U.S. Treasury regulations. Our Equity Shares are listed on the Stock Exchanges. It is unclear, however, whether the Stock Exchanges would meet the requirements for a "qualified exchange." There can be no assurance, therefore, that the mark-to-market election would be available to a U.S. Holder of Equity Shares if we were treated as a PFIC.

Generally, under the mark-to-market election the U.S. Holder will recognize at the end of each taxable year (i) ordinary income in respect of any excess of the fair market value of the Equity Shares over their adjusted tax basis or (ii) ordinary loss in respect of any excess of the adjusted tax basis of the Equity Shares over their fair market value (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the Equity Shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Equity Shares in a year when we were a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). U.S. Holders should consult their tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances. As to any elections with respect to our Equity Shares, including mark-to-market elections or QEF elections, U.S. Holders should consult their own tax advisors to determine whether any of these elections would be available or advisable if we are or become a PFIC and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

If a U.S. Holder owns our Equity Shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 annually with respect to the Company, generally with the U.S. Holder's U.S. federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding our PFIC status for any taxable year and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of our Equity Shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder's U.S. federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold) may be required to report information relating to the Equity Shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non -U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold our Equity Shares, subject to certain exceptions (including an exception for our Equity Shares held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of the Equity Shares.

Disclaimer Clause of RBI

The Company has a valid certificate of registration dated December 14, 2007 issued by the RBI under Section 45IA of the RBI Act. Further, the Company holds a modified certificate of registration dated September 27, 2016 as an NBFC-MFI. However, the RBI 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 representation made or opinions expressed by the Company and for discharge of liability by the Company.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares Allotted through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE.

[●] shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Issue Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Issue within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders in accordance with applicable law for the delayed period.

Consents

Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, Legal advisor to the Company as to Indian Law, Bankers to our Company, the BRLMs, the Registrar to the Company, the Registrar to the Issue, Statutory Auditors, CRISIL, have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s)/Refund Bank(s)/ Public Issue Account/ Sponsor Banks to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert to the Issue

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

Our Company has received written consent dated October 4, 2023 from M. P. Chitale & Co, Chartered Accountants, our Statutory Auditors, who hold valid peer review certificate from ICAI, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report dated September 22, 2023 relating to the Restated Financial Information; and (ii) the statement of special tax benefits dated October 4, 2023, as included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" beginning on page 74, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Further, Vivriti Capital Limited's equity shares are not listed on any stock exchange, however their debt securities are listed on BSE Limited. They have not undertaken any capital issues (public, rights or composite) in the three immediately preceding years in respect of such debt securities.

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for the last five years by our Company.

Performance vis-à-vis objects – public/ rights issue of our Company

Except as stated in *"Capital Structure – Notes to Capital Structure"* on page 74, our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – last public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any subsidiaries.

Our Company has a listed Promoter, listed on the Stock Exchanges. Except as stated below, our Promoter has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus:

<table>
<tr><th>No.</th><th>Date of issue</th><th>Nature of issue</th><th>Stated objects of the issue</th><th>Status of compliance with stated objects</th></tr>
<tr><td>1.</td><td>November 29, 2018</td><td>Nature of offering: Public Issue
Type of securities: Non-convertible Debentures
Issue opening date-October 24, 2018
Issue Closing date-November 22, 2018
ISIN: Mentioned below
Total issue size: Mentioned below*
Status: Mentioned below*</td><td><table><tr><td>For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings.</td><td>At least 75%</td></tr><tr><td>General corporate purposes</td><td>Maximum of upto 25%</td></tr><tr><td>Total</td><td>100%</td></tr></table></td><td>Complied</td></tr>
<tr><td>2.</td><td>March 6, 2019</td><td>Nature of offering: Public issue
Type of securities: Non-convertible debentures
Issue opening date-January 28, 2019
Issue closing date-February 27, 2019
ISIN: Mentioned below^
Status: Mentioned below^</td><td><table><tr><td>For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings.</td><td>At least 75%</td></tr><tr><td>General corporate purposes</td><td>Maximum of upto 25%</td></tr><tr><td>Total</td><td>100%</td></tr></table></td><td>Complied</td></tr>
</table>

November 29, 2018

ISIN number	Date of allotment	Redemption date	Scheme	Issue size (in ₹ in million)	Status
INE522D07AG3	November 29, 2018	January 3, 2020	Cumulative	307.44	Redeemed
INE522D07AH1	November 29, 2018	November 29, 2021	Monthly	274.44	Redeemed
INE522D07AI9	November 29, 2018	December 29, 2023	Monthly	574.21	Active
INE522D07AJ7	November 29, 2018	November 29, 2020	Annual	113.74	Redeemed
INE522D07AK5	November 29, 2018	November 29, 2021	Annual	217.46	Redeemed
INE522D07AL3	November 29, 2018	November 29, 2023	Annual	299.99	Active
INE522D07AM1	November 29, 2018	November 28, 2020	Cumulative	148.12	Redeemed
INE522D07AN9	November 29, 2018	November 29, 2021	Cumulative	258.07	Redeemed
INE522D07AO7	November 29, 2018	November 29, 2023	Cumulative	147.96	Active
INE522D07AP4	November 29, 2018	November 29, 2025	Cumulative	397.72	Active

^March 6, 2019

ISIN number	Date of allotment	Redemption date	Scheme	Issue size (in ₹ in million)	Status
INE522D07AU4	March 6, 2019	June 3, 2022	Monthly	153.13	Redeemed
INE522D07AV2	March 6, 2019	June 3, 2024	Monthly	285.00	Active
INE522D07AW0	March 6, 2019	June 3, 2022	Annual	166.04	Redeemed
INE522D07AX8	March 6, 2019	June 3, 2024	Annual	204.50	Active
NE522D07AY6	March 6, 2019	June 3, 2022	Cumulative	231.02	Redeemed
NE522D07AZ3	March 6, 2019	June 3, 2024	Cumulative	145.87	Active
INE522D07BA4	March 6, 2019	May 5, 2026	Cumulative	409.56	Active

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

1) JMFL

Price information of past issues handled by JMFL

Sr. No.	Issue name	Issue Size (` million)	Issue price (`)	Listing Date	Opening price on Listing Date (in `)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	JSW Infrastructure Limited#	28,000.00	119.00	October 3, 2023	143.00	Not Applicable	Not Applicable	Not Applicable
2.	Zaggle Prepaid Ocean Services Limited*	5,633.77	164.00	September 22, 2023	158.35	Not Applicable	Not Applicable	Not Applicable
3.	Samhi Hotels Limited#	13,701.00	126.00	September 22, 2023	130.55	Not Applicable	Not Applicable	Not Applicable
4.	R R Kabel Limited#7	19,640.10	1,035.00	September 20, 2023	1,179.00	Not Applicable	Not Applicable	Not Applicable
5.	Jupiter Life Line Hospitals Limited*	8,690.76	735.00	September 18, 2023	973.00	Not Applicable	Not Applicable	Not Applicable
6.	TVS Supply Chain Solutions Limited*	8,800.00	197.00	August 23, 2023	207.50	8.71% [1.53%]	Not Applicable	Not Applicable
7.	Cyient DLM Limited*	5,920.00	265.00	July 10, 2023	403.00	86.79% [1.11%]	Not Applicable	Not Applicable
8.	Ideaforge Technology Limited*	5,672.45	672.00	July 7, 2023	1,300.00	64.59% [0.96%]	27.93% [0.54%]	Not Applicable
9.	Avalon Technologies Limited*	8,650.00	436.00	April 18, 2023	436.00	-10.09% [2.95%]	59.45% [10.78%]	Not Applicable
10.	Elin Electronics Limited#	4,750.00	247.00	December 30, 2022	243.00	-15.55% [-2.48%]	-52.06% [-4.73%]	-29.35% [4.23%]

Source: www.nseindia.com and www.bseindia.com

 # BSE as Designated Stock Exchange

** NSE as Designated Stock Exchange*

Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX 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.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 98 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *Not Applicable – Period not completed*

Summary statement of price information of past issues handled by JMFL:

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-2024	9	1,04,708.08	-	-	1	2	-	1	-	-	-	-	-	-
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	2	2	2	3	2
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4

2) *Kotak*

Price information of past issues handled by Kotak

Sl. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	JSW Infrastructure Limited	28,000.00	119	October 3, 2023	143.00	Not Applicable	Not Applicable	Not Applicable
2.	Signatureglobal (India) Limited	7,300.00	385	September 27, 2023	444.00	Not Applicable	Not Applicable	Not Applicable
3.	SAMHI Hotels Limited	13,701.00	126	September 22, 2023	130.55	Not Applicable	Not Applicable	Not Applicable
4.	Concord Biotech Limited	15,505.21	741[1]	August 18, 2023	900.05	+36.82.%, [+4.57%]	Not Applicable	Not Applicable
5.	SBFC Finance Limited	10,250.00	57[2]	August 16, 2023	82.00	+51.75.%, [+3.28%]	Not Applicable	Not Applicable
6.	Utkarsh Small Finance Bank Limited	5,000.00	25	July 21, 2023	40.00	+92.80%, [-2.20%]	Not Applicable	Not Applicable
7.	Mankind Pharma Limited	43,263.55	1,080	May 09, 2023	1,300.00	+37.61%, [+2.52%]	+74.13%, [+6.85%]	Not Applicable
8.	KFin Technologies Limited	15,000.00	366	December 29, 2022	367.00	-13.55%, [-3.22%]	-24.56%, [-6.81%]	-4.48%, [+2.75%]
9.	Sula Vineyards Limited	9,603.49	357	December 22, 2022	361.00	+18.59%, [-0.55%]	-4.87%, [-5.63%]	+27.87%, [+3.46%]
10.	Five-Star Business Finance Limited	15,934.49	474	November 21, 2022	468.80	+29.72%, [+1.24%]	+19.20%, [-1.19%]	+11.72%, [+0.24%]

Source: www.nseindia.com; www.bseindia.com

Notes:
(1) In Concord Biotech Limited, the issue price to eligible employees was ₹ 671 after a discount of ₹ 70 per equity share
(2) In SBFC Finance Limited, the issue price to eligible employees was ₹ 55 after a discount of ₹ 2 per equity share
(3) In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
(4) The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
(5) Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.
(6) Restricted to last 10 equity initial public issues.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Kotak:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	7	123,019.76	-	-	-	2	2	-	-	-	-	-	-	-
2022-23	10	367,209.37	-	1	2	-	3	4	-	2	1	2	3	2
2021-22	19	624,047.99	-	-	5	5	5	4	1	4	2	8	2	2

Notes:
(1) The information is as on the date of this Draft Red Herring Prospectus.
(2) The information for each of the financial years is based on issues listed during such financial year

3) Nomura

Price information of past issues handled by Nomura

Sl. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Avalon Technologies Limited	8,649.99	436	April 18,2023	436.00	-10.09% [+2.95%]	+59.45% [+10.78%]	Not applicable
2.	Five-Star Business Finance Limited	15,885.12	474	November 21,2022	468.80	+29.72% [+1.24%]	+19.20% [-1.19%]	+11.72% [+0.24%]
3.	Life Insurance Corporation of India	205,572.31	949(1)	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [+9.47%]	-33.82% [+13.76%]
4.	MedPlus Health Services Limited	13,982.95	796(2)	December 23,2021	1,015.00	+53.22% [+3.00%]	23.06% [+1.18%]	-6.55% [-9.98%]
5.	Shriram Properties Limited	6,000.00	118(3)	December 20, 2021	90.00	-12.42% [+9.02%]	-33.39% [+4.05%]	-46.69% [-7.95%]
6.	RateGain Travel Technologies Limited	13,357.35	425(4)	December 17, 2021	360.00	+11.99% [+7.48%]	-31.08% [-0.06%]	-35.24% [-7.38%]
7.	Fino Payments Bank	12,002.93	577	November 12, 2021	548.00	-30.55% [-3.13%]	-34.56% [-3.66%]	-52.33% [-10.42%]
8.	Sansera Engineering	12,829.78	744	September 24, 2021	811.35	+0.30% [+1.29%]	+1.57% [-5.19%]	-21.26% [-3.43%]
9.	CarTrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31% [+6.90%]	-32.68% [+8.80%]	-61.17% [+5.48%]
10.	Sona BLW Precision Forgings Limited	55,500.00	291	June 24, 2021	302.40	+45.17% [+0.53%]	+93.40% [+11.97%]	+140.26% [+5.93%]

Source: www.nseindia.com; www.bseindia.com

Notes:

(1) Discount of ₹60.00 per Equity Share was offered to eligible policyholders bidding in the Policyholder Reservation Portion, discount of ₹45.00 per Equity Share was offered to eligible employees and retail individual bidders bidding in the Employee Reservation Portion and the Retail Portion respectively
(2) Discount of INR 78.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
(3) Discount of INR 11.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
(4) Discount of INR 40.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
(a) For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue.
(b) For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations.
(c) In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered.
(d) Not applicable – Period not completed.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Nomura:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	1	8,649.99	-	-	1	-	-	-	-	-	-	-	-	-
2022-23	2	221,457.43	-	1	-	-	1	-	-	1	-	-	-	1
2021-22	7	143,658.14	-	1	2	1	1	2	2	2	2	1	-	-

Notes:
(1) The information is as on the date of this Draft Red Herring Prospectus.
(2) The information for each of the financial years is based on issues listed during such financial year

4) SBICAPS

Price information of past issues handled by SBICAPS

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Updater Services Ltd@	6,400.00	300.00	October 4, 2023	299.90	-	-	-
2	JSW Infrastructure Limited@	28,000.00	119.00	October 3, 2023	143.00	-	-	-
3	Yatra Online Limited@	7,750.00	142.00	September 28, 2023	130.00	-	-	-
4	Senco Gold Limited#	4,050.00	317.00	July 14, 2023	430.00	25.28% [-0.70%]	-	-
5	Tamilnad Mercantile Bank Limited @	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	2.14% [4.34%]	-15.82% [-2.83%]
6	Paradeep Phosphates Limited @	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]
7	Life Insurance Corporation of India (1)@	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]
8	Star Health and Allied Insurance Company Ltd (2)#	64,004.39	900.00	December 10,2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	-22.21% [-6.25%]
9	Tarsons Products Limited (3)@	8,738.40	662.00	November 26, 2021	700.00	-4.16% [+0.03%]	-4.46% [+0.22%]	0.20% [-5.35%]
10	Aditya Birla Sun Life AMC Limited#	27,682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]

Source: www.nseindia.com and www.bseindia.com

Notes:

* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

** *The information is as on the date of this Draft Red Herring Prospectus.*

* *The information for each of the financial years is based on issues listed during such financial year.*

@ *The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange*

The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange

1 *Price for retail individual bidders and eligible employee was Rs 904.00 per equity share and for Eligible Policy Holders and was Rs 889.00 per equity share*

2 *Price for eligible employee was Rs 820.00 per equity share*

3 *Price for eligible employee was Rs 639.00 per equity share*

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAPS:

Financial Year	Total no. of IPOs#	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	4	46,200.00	-	-	-	-	1	-	-	-	-	-	-	-
2022-23	3	228,668.02	-	1	2	-	-	-	-	1	1	-	1	-
2021-22	10	217,814.28	-	-	6	1	2	1	-	3	1	3	-	3

Notes:

** The information is as on the date of this Draft Red Herring Prospectus*

 # Date of Listing for the issue is used to determine which financial year that particular issue falls into.

Track record of the Book Running Lead Managers

Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of BRLM	Website
1.	JMFL	www.jmfl.com
2.	Kotak	https://investmentbank.kotak.com
3.	Nomura	www.nomuraholdings.com/company/group/asia/india/index.html
4.	SBICAPS	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. For offer related grievances, investors may contact the BRLMs, details of which are given in "*General Information*" beginning on page 66.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/ /2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	cumulative blocked amount except the original Bid Amount, whichever is higher	
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 finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers 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 Issue 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. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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 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 Issue. The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLMs.

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 herein.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014, SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and the 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 estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. Our Company has also appointed Aparna Menon, Company Secretary of our Company as the Compliance Officer for the Issue. For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information*" beginning on page 66. Our Company has constituted a Stakeholders' Relationship Committee comprising of Harshan Kollara Sankarakutty (*Chairman*), Blangat Narayanan Raveendra Babu, Pushya Sitaraman and Subrata Kumar Atindra Mitra as members. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 252.

Exemption from complying with any provisions of SEBI ICDR Regulations

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

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, GoI, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting its approval for the Issue, to the extent and for such time as these continue to be applicable.

The Issue

The Issue is a Fresh Issue by our Company. For details in relation to Issue expenses, see "*Objects of the Issue– Issue related expenses*" on page 90.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and Allotted in the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our MoA and AoA and shall be *pari passu* with the existing Equity Shares in all respects including voting and right to receive dividends. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 484.

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 be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 268 and 484, respectively.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Issue Price at Floor Price is ₹[●] per Equity Share and at Cap Price is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Issue Price, Price Band, and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Managers, after the Bid/ Issue Closing Date on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the AoA of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 484.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Company:

- Tripartite agreement dated November 25, 2016 amongst our Company, NSDL and Registrar to the Company; and

- Tripartite agreement dated November 28, 2016 amongst our Company, CDSL and Registrar to the Company.

For details in relation to the Basis of Allotment, see "*Issue Procedure*" beginning on page 464.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in dematerialised and electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Issue Procedure*" beginning on page 464.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai, India.

Period of subscription list of the Issue

See "*– Bid/ Issue Programme*" on page 458.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●][1]
BID/ISSUE CLOSES ON	[●][2][3]

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

[2] *Our Company in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

[3] *UPI mandate end time and date shall be at 5:00 p.m. IST on Bid/ Issue Closing Date, i.e. [●]*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue 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 four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. Further, Bidders shall be entitled to compensation in the manner prescribed by SEBI and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, in terms of circulars prescribed by SEBI from time to time, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.*

The above timetable other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within four days from the closure of the Issue, 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 will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Issue, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Issue Closing Date*	
Submission and revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

* *UPI mandate end time and date shall be at 5:00 pm IST on [●]*

On the Bid/ Issue 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

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids 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, will be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and in any case no later than 3:00 p.m. IST on the Bid/Issue 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/Issue 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 Issue. Bids and any revision in Bids will be accepted only during Working Days during the Bid/ Issue Period. Bidders may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays 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 BRLMs reserves the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

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

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Issue Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Issue Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Issue Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond the prescribed time after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

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 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.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Withdrawal of the Issue

The Issue shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue, in whole or in part thereof, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), 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 Issue to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Issue, the BRLMs will submit reports of compliance with T+6 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/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company in consultation with the BRLMs withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Issue capital of our Company, lock-in of our Promoter's minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 74 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association"* beginning on page 484.

New financial instruments

Our Company is not issuing any new financial instruments through this Issue.

ISSUE STRUCTURE

The Issue is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹15,000 million. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. In the event the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of SCRR.

The Issue is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation* (2)	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/allocation	Not less than 75% of the Issue 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 more than 15% of the Issue. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, 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 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	Not more than 10% of the Issue
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price	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 Non-Institutional Bidders being [●] Equity Shares 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 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-Institutional Portion in accordance with SEBI ICDR Regulations. The allotment of specified securities to each Non-	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Issue Procedure*" beginning on page 464.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
		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 "*Issue Procedure*" beginning on page 464	
Minimum Bid	[●] Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, (excluding the Anchor Investor portion) subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million
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 and in multiples of [●] Equity Shares thereafter		
Mode of Allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 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.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
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 Banks 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 Issue.*

(1) Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the Book Running Lead Managers 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 domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and 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 Issue Price. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Issue 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 Issue Price.

(3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The Bids by FPIs with certain structures as described under "*Issue Procedure - Bids by FPIs*" on page 469 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Issue*" beginning on page 456.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue 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.

ISSUE 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 BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, including in relation to the process for Bids by UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Issue; (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) submission 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, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) Designated Date; (xiv) disposal of applications; and (xv) 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, has 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 existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until 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 existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing 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/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the 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 Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, 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, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. 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 whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

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 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 four Working Days from the Bid/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue 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, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the BRLMs, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Further, our Company and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

Book Building Procedure

This Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process and is in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(2) of the SEBI ICDR Regulations, not less than 75% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, subject to availability of Equity Shares in the respective categories, not more than 15% of the Issue 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 ₹0.20 million and up to ₹1.00 million; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1.00 million, 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 more than 10% of the Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue 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.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("**Previous UPI Circulars**") and 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 and the Previous UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

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 one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected.

Since the Issue is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders, 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 UPI Mandate Request to UPI 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 the UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

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 the Book Running Lead Managers in the format and within the timelines as specified under the SEBI 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 ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details 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/2022/51 dated April 20, 2022. 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 5:00 pm IST on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders 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. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Issue Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue, subject to applicable laws.

b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation by Promoter and Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs nor; (ii) any person related to the Promoter or Promoter Group shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs. Further, persons related to our Promoter and Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External ("**NRE**") accounts, or FCNR accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Issue 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 Issue shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Our Company has, pursuant to a Board resolution dated September 22, 2023 and Shareholders' resolution dated October 3, 2023 increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of the Company.

NRIs will be permitted to apply in the Issue 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 Issue, 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 482.

Participation of Eligible NRIs in th e Issue shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by 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 FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; (vii) Entities registered as Collective Investment Scheme having multiple share classes; (viii) Multiple branches in different jurisdictions of foreign bank registered as FPIs; (ix) Government and Government related investors registered as Category 1 FPIs; and (x) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments.

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 Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Issue shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA NDI Rules, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA NDI Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum

Application Form, failing which our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as 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.

Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs 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 BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and will be completed on the same day.

5. Our Company in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue 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 Issue 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 Issue Price.

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10. Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) or pension fund sponsored by entities which are associate of the Book Running Lead Managers nor (b) the Promoter, Promoter Group or any person related to the Promoter or members of the Promoter Group shall apply under the Anchor Investors category.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

    For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

General Instructions

QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhaar and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021;

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;

8. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

9. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

10. 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);

11. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

12. 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;

13. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;

14. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

15. UPI Bidders Bidding in the Issue 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 Issue and not ASBA Account or bank account linked UPI ID of any third party;

16. 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;

17. UPI Bidders in the Issue 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 Issue and not ASBA Account or bank account linked UPI ID of any third party;

18. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

20. 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;

21. Ensure that the Demographic Details are updated, true and correct in all respects;

22. 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;

23. 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;

24. 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;

25. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

26. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

27. 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;

28. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

29. 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/ Issue Closing Date;

30. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

31. 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;

32. Bids by Eligible NRIs for a Bid Amount of less than ₹0.20 million would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the non-institutional category for allocation in the Issue;

33. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

34. 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).

35. 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.

36. 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 size;

2. Do not Bid on another Bid cum Application Form 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 Centres;

5. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised 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 authorised 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 Issue;

20. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

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 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/Issue Closing Date;

27. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue 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 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/ Issue 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 ₹0.20 million (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 ₹0.50 million.

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 maybe rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));

(f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

(g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

(h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

(i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(j) Bids submitted without the signature of the First Bidder or Sole Bidder;

(k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

(m) GIR number furnished instead of PAN;

(n) Bids by RIBs with Bid Amount of a value of more than ₹0.20 million;

(o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(p) Bids accompanied by stock invest, money order, postal order, or cash; and

(q) Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/Issue Closing Date, unless extended by the Stock Exchanges. On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Further, in case of any pre-Issue or post -Issue related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out the Company Secretary and Chief Compliance Officer. For further details of the Company Secretary and Chief Compliance Officer, see "*General Information*" and "*Our Management*" beginning on pages 66 and 240, respectively.

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/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the Basis of Allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of Allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Issue 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 Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The allocation to each NIB shall not be less than ₹0.20 million, 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.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Banks and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located) each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/ Issue Opening Date and the Bid/ Issue 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

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Tamil daily newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is located) each with wide circulation

The information set out above is given for the benefit of the Bidders/applicants. Our Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Issue Price, but prior to filing of the Red Herring Prospectus or Prospectus, in accordance with the nature of undertaking which is determined in accordance with Regulation 40 (3) of SEBI ICDR Regulations.

(b) If our Company in consultation with the Book Running Lead Managers desires to have the Issue underwritten on account of rejection of bids, then an underwriting agreement shall be signed after the filing of the Red Herring Prospectus with the RoC in accordance with the Applicable Law and an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law which would then be termed as the Prospectus. However, if our Company in consultation with the Book Running Lead Managers desires to have the Issue underwritten to cover any under-subscription in the Issue, then the Underwriting Agreement shall be signed before the filing of the Red Herring Prospectus with the RoC.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Issue*" beginning on page 456.

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 Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Issue Closing Date or such other period as may be prescribed;
- if Allotment is not made within six Working Days, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within 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;
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company does not proceed with the Issue after the Bid/ Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Issue is withdrawn after the Bid/ Issue 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 Issue subsequently; and
- Except for the Pre-IPO Placement and the allotment of Equity Shares upon any exercise of options vested pursuant to ESOS 2019, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue Proceeds

Our Company specifically confirms that all monies received out of the 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.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates and supersedes all previous press 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 (Non-debt Instruments) Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Issue. 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 Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the FEMA Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment is permitted under the automatic route for NBFCs, however, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Issue Procedure – Bids by Eligible NRIs*" and "*Issue Procedure – Bids by FPIs*" on page 469.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any U.S. federal, state or other securities laws. The Equity Shares may not be transferred or resold except as permitted under the U.S. Securities Act, the applicable state securities laws and any applicable non-U.S. securities laws, pursuant to registration or exemption therefrom. Our Company will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and accordingly is not subject to the protections of the U.S. Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) to persons in the United States and to U.S. Persons who are both, (i) "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**"), and (b) Qualified Purchasers ("**QPs**"), as defined in Section 2(a)(51) of the U.S. Investment Company Act (persons who are both a U.S. QIB and a QP are referred to as "Entitled QPs"), pursuant to Rule 144A under the U.S. Securities Act and in accordance with Section 3(c)(7) of the U.S. Investment Company Act, and (ii) to persons who are not U.S. Persons outside the United States, pursuant to 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".

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

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below.

Share Capital and variation of rights

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose off 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 or at a discount (subject to the compliance with the provisions of section 53 of the Act) and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Alteration of Capital

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.

Sub-division, consolidation and cancellation of share certificate

Subject to the provisions of Section 61 of the Act, the Company may, by an Ordinary Resolution, from time to time:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and;

(d) 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

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

Buy-back of shares

Notwithstanding anything contained in these Articles, but subject to the provisions of sections 68 to 70 of the Act 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 meetings

(a) All General Meeting other than Annual General Meeting shall be “Extraordinary General Meeting”

(b) The Board may, whenever it thinks fit, call an extraordinary general meeting

(c) 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.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid-up Equity Share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Board of Directors

Unless otherwise determined by General Meeting, the number of Director shall not be less than three (3) and shall not be more than fifteen (15) and atleast one (1) Director shall be resident of India in the previous year. Provided that the Company may appoint more than fifteen (15) directors after taking approval of the Shareholders as per applicable provisions / laws.

Proceedings of the Board

(a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of 120 (one hundred and twenty) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the Chairman of the Board.

(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

Dividends and Reserve

The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

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.

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.

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.

Forfeiture of Shares

If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Lien

(i) The company shall have a first and paramount lien:

(a) on every share/ debenture (not being a fully paid share/ debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares/ debenture (not being fully paid shares/ debenture) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share/ debenture shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. Further, the fully paid-up shares/ debentures shall be free from all lien and in the case of partly paid-up shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares/ debentures.

Transfer of Shares

(i) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(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.

Transmission of Shares

(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized 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 persons.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus that will be filed with the RoC, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. IST on Working Days and will also be available for inspection on our website at https://asirvadmicrofinance.co.in/offer-document-related-fillings/ from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date (except for such documents or agreements executed after the Bid/ Issue Closing Date).

A. Material contracts for the Issue

1. Issue Agreement dated October 4, 2023 between our Company and the BRLMs.
2. Registrar Agreement dated October 3, 2023 between our Company, Registrar to the Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Bankers to the Issue.
4. Syndicate Agreement dated [●] between our Company, the BRLMs, the Registrar to the Issue and the Syndicate Members.
5. Monitoring agency agreement dated [●] between our Company and the Monitoring Agency.
6. Underwriting Agreement dated [●] between our Company and the Underwriters.

B. Other material contracts in relation to our Company

1. Share subscription and shareholders' agreement dated February 12, 2015 entered into between and amongst our Company, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan and MAFIL, as amended pursuant to deed of amendment dated March 17, 2016 and terminated pursuant to the agreement dated September 22, 2023, entered into between and amongst our Company, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan and MAFIL.
2. Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, Nalini Hari, S. Hari, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan, S.V. Krishnamurthy, Hemalathaa K. Murthy, Sharadh Krishnamurthy, Janani Krishnamurthy, K. Sethuraman (jointly held with Sushila Sethuraman), Lok Capital LLC, G. Srikanth, S. Gopinath, Tolerance Samuel M. P., Muthukumar, Shylasree Padmanabham, Sabarinathan T., Suthakaran K, Thangappan V, Rajasekaran NRK, Ramesh T, Gunaseelan S, Chellapandi S, Rajendran M, Krishnamoorthy S, Ayyanar K, Muthurmalingam R, Mahesh Kannan K, Rajasekar K, Nethaji K, Lakshmi Narayanan, R Premkumar Thambiraj, Ravikumar N., J Kannan, Santhakumar D, Parthasarathi C., Raghavender Anand, S. Ganesan, S Ragothaman (jointly held with Usha Ragothaman) of the Company and MAFIL.
3. Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, Raja Vaidyanathan Venkataraman Sattanathapuram, Anjana Vaidyanathan, S.V. Krishnamurthy, Hemalathaa K. Murthy, Sharadh Krishnamurthy, Janani Krishnamurthy, K. Sethuraman, Sushila Krishnamurthy, and MAFIL.
4. Share purchase agreement dated February 12, 2015 entered into between and amongst our Company, MAFIL and Lok Capital LLC.
5. Employment agreement dated July 1, 2021 entered into between our Company and Blangat Narayanan Raveendra Babu.

C. Material documents

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated August 29, 2007 issued by the RoC to our Company in the name of 'Asirvad Micro Finance Private Limited'.
3. Fresh certificate of incorporation dated September 1, 2016 issued by the RoC to our Company consequent upon change of name of our Company to 'Asirvad Micro Finance Limited'.

4. Certificate of registration dated December 14, 2007 bearing no. N-07-00769, pursuant to which our Company (under its erstwhile name, '*Asirvad Micro Finance Private Limited*') was registered as an NBFC under Section 45-IA of the RBI Act and

5. RBI endorsement on our certificate of registration dated September 27, 2016 granting NBFC-MFI status to our Company with effect from October 4, 2013.

6. Resolutions of the Board of Directors and Shareholders' dated September 22, 2023 and October 3, 2023 authorising the Issue and other related matters.

7. Resolutions of the Board of Directors and IPO Committee dated October 3, 2023 and October 4, 2023, respectively, approving this Draft Red Herring Prospectus.

8. Copies of the annual reports of our Company for the Financial Years 2023, 2022 and 2021.

9. CRISIL consent letter dated September 20, 2023 for the CRISIL Report.

10. The report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Indian Microfinance Industry*" dated September 2023 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated July 6, 2023, exclusively for the purposes of the Issue.

11. The examination report of the Statutory Auditor dated September 22, 2023 on our Company's Restated Financial Information, included in this Draft Red Herring Prospectus.

12. The statement of special tax benefits dated October 4, 2023 from the Statutory Auditor.

13. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal advisor to our Company, the Registrar to the Company, Registrar to the Issue, Escrow Collection Bank(s), Public Issue Account Bank(s), Refund Bank(s), Sponsor Bank(s), Monitoring Agency, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

14. Certificate dated October 4, 2023 issued by M.P Chitale & Co., Chartered Accountants, certifying the KPIs of the Company.

15. Resolution dated October 3, 2023 passed by the Audit Committee approving the KPIs for disclosure.

16. Written consent dated October 4, 2023, of our Statutory Auditor, namely, M. P. Chitale & Co, Chartered Accountants, holding a valid peer review certificate from ICAI, to include: (i) their name in this Draft Red Herring Prospectus; (ii) to include their examination report dated September 22, 2023 on the Restated Financial Information and the Statement of Special Tax Benefits in this Draft Red Herring Prospectus, respectively; and; (iii) to be named as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditor of our Company and in respect of (a) their examination reports on the Restated Financial Information dated September 22, 2023 and (b) the Statement of Special Tax Benefits dated October 4, 2023, included in this Draft Red Herring Prospectus.

17. Due Diligence Certificate dated October 4, 2023 addressed to SEBI from the BRLMs.

18. In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

19. Tripartite agreement dated November 25, 2016, between our Company, NSDL and the Registrar to the Company.

20. Tripartite agreement dated November 28, 2016, between our Company, CDSL and the Registrar to the Company.

21. SEBI observation letter bearing reference number [●], dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Vazhappully Padmanabhan Nandakumar
Chairman, Non-Executive and Non-Independent Director

Date: October 4, 2023

Place: Thrissur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Blangat Narayanan Raveendra Babu
Managing Director

Date: October 4, 2023

Place: Thrissur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertaking made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Abhijit Sen
Independent Director

Date: October 4, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Anita Belani
Independent Director

Date: October 4, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Desh Raj Dogra
Independent Director

Date: October 4, 2023

Place: Lonavala

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Gautam Rathindranath Saigal
Non-Executive and Non-Independent Director

Date: October 4, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Harshan Kollara Sankarakutty
Independent Director

Date: October 4, 2023

Place: London

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pushya Sitaraman
Independent Director

Date: October 4, 2023

Place: Chennai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Raja Vaidyanathan Venkataraman Sattanathapuram
Non-Executive and Non-Independent Director

Date: October 4, 2023

Place: Chennai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Ramanathan Annamalai
Independent Director

Date: October 4, 2023

Place: Chennai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Subrata Kumar Atindra Mitra
Independent Director

Date: October 4, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sumitha Jayasankar
Non-Executive and Non-Independent Director

Date: October 4, 2023

Place: Thrissur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Thotanchath Balakrishnan
Independent Director

Date: October 4, 2023

Place: Trivandrum

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statement, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Rajesh K R N Namboodiripad
Chief Financial Officer

Date: October 4, 2023

Place: Valappad