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DRAFT RED HERRING PROSPECTUS
Dated: March 6, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

MANBA FINANCE LIMITED

CORPORATE IDENTITY NUMBER: U65923MH1996PLC099938

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL ID AND TELEPHONE	WEBSITE
324, Runwal Heights Commercial Complex, L.B.S Marg, Opp. Nirmal Lifestyle, Mulund (West), Mumbai 400 080, Maharashtra, India	IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India	Bhavisha Ashish Jain, Company Secretary and Compliance Officer	**Tel**: +91 22 6234 6598 **E-mail Id**: investorrelation@manbafinance.com	www.manbafinance.com

OUR PROMOTERS: MANISH KIRITKUMAR SHAH, NIKITA MANISH SHAH, MONIL MANISH SHAH, MANBA INVESTMENTS AND SECURITIES PRIVATE LIMITED, AVALON ADVISORY AND CONSULTANT SERVICES PRIVATE LIMITED, MANBA FINCORP PRIVATE LIMITED, MANBA INFOTECH LLP AND MANISH KIRITKUMAR SHAH (HUF)

DETAILS OF THE ISSUE TO THE PUBLIC

TYPE	FRESH ISSUE	OFFER FOR SALE	TOTAL ISSUE SIZE*	ELIGIBILITY
Fresh Issue	Up to 1,25,70,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] lakhs	Not applicable	Up to 1,25,70,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] lakhs	The Issue is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") as our Company fulfils the requirements under Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Issue*" on page 389. For details in relation to the share reservation among QIBs, RIBs, and NIBs, see "Issue Structure" on page 406.

**Subject to finalization of Basis of Allotment*

DETAILS OF THE OFFER FOR SALE

Name of Selling Shareholder	Category of shareholder	Number of Equity Shares offered / amount (in lakhs)	Weighted Average cost of acquisition (in ₹ per Equity Share)*
Not applicable			

RISK 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 Issue Price, Floor Price and Cap Price as determined by our Company in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process as stated in "*Basis for Issue Price*" on page 112 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or 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 33.

ISSUER'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 offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being NSE and BSE. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013.

DETAILS OF BOOK RUNNING LEAD MANAGER

Logo	Name	Contact Person	Telephone	E-mail Id
	Hem Securities Limited	Roshni Lahoti	+91 22 4906 0000	ib@hemsecurities.com

DETAILS OF REGISTRAR TO THE ISSUE

Logo	Name	Contact Person	Telephone	E-mail Id
LINKIntime	**Link Intime India Private Limited**	Shanti Gopalkrishnan	+91 81081 14949	manbafinanceipo@linkintime.co.in

BID/ ISSUE PERIOD

ANCHOR INVESTOR BID/ ISSUE PERIOD	[●]*	**BID/ ISSUE OPENS ON**	[●]	**BID/ ISSUE CLOSES ON#**	[●]**

**Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Issue Opening Date.*
***Our Company may, in consultation with the BRLM, consider the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR regulations.*
#UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

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DRAFT RED HERRING PROSPECTUS
Dated: March 6, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

MANBA FINANCE LIMITED

Our Company was originally incorporated as 'Manba Finance Private Limited', a private limited company under the Companies Act, 1956 at Mumbai, Maharashtra, pursuant to a certificate of incorporation dated May 31, 1996, issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders as on January 31, 2005 and consequently, the name of our Company was changed to 'Manba Finance Limited'. A fresh certificate of change of name, consequent upon conversion to a public limited company was issued by RoC on January 31, 2005. The RBI granted a certificate of registration dated April 7, 1998 to our Company, under its erstwhile name 'Manba Finance Private Limited' for registration as a NBFC under Section 45-IA of the Reserve Bank of India Act, 1934 ("**RBI Act**"). Subsequently, the RBI granted a revised certificate of registration dated January 27, 2022, to carry on business of non-banking financial institutions without accepting public deposits.

Registered Office: 324, Runwal Heights Commercial Complex, L.B.S Marg, Opp. Nirmal Lifestyle, Mulund (West), Mumbai 400 080, Maharashtra, India; **Tel**: +91 22 6234 6598,
Corporate Office: IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India;
Contact Person: Bhavisha Ashish Jain, Company Secretary and Compliance Officer, **E-mail**: investorrelation@manbafinance.com
Website www.manbafinance.com **Corporate Identity Number**: U65923MH1996PLC099938

OUR PROMOTERS: MANISH KIRITKUMAR SHAH, NIKITA MANISH SHAH, MONIL MANISH SHAH, MANBA INVESTMENTS AND SECURITIES PRIVATE LIMITED, AVALON ADVISORY AND CONSULTANT SERVICES PRIVATE LIMITED, MANBA FINCORP PRIVATE LIMITED, MANBA INFOTECH LLP AND MANISH KIRITKUMAR SHAH (HUF)

INITIAL PUBLIC OFFERING OF UP TO 1,25,70,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF MANBA FINANCE LIMITED ("OUR COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [●] LAKHS ("ISSUE"). THE ISSUE COMPRISES A FRESH ISSUE OF UP TO 1,25,70,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS ("ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS [●] TIMES THE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITION OF [●], A MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE AND CORPORATE OFFICE IS LOCATED, WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (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 may, in consultation with Book Running Lead Manager, 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 website of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Issue is being made through the Book Building process in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "**QIBs**" and such portion, "**QIB Portion**"), provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"). 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 price at which allocation is made to Anchor Investors. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹ 2,00,000 and up to ₹ 10,00,000 and two-thirds shall be reserved for Bidders with Bids exceeding ₹ 10,00,000) and (b) not less than 35% 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, other than Anchor Investors, are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (defined hereinafter), which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see "*Issue Procedure*" on page 411.

RISK 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. The Issue Price, Floor Price and Cap Price determined by our Company in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process as stated in "*Basis for Issue Price*" on page 112 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or 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 33.

OUR COMPANY'S AND SELLING SHAREHOLDER'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 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 until the Bid/ Issue Closing Date, please see "*Material Contracts and Documents for Inspection*" beginning on page 451.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
	LINKIntime
Hem Securities Limited 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400 013, Maharashtra, India **Tel**: +91 22 4906 0000 **E-mail**: ib@hemsecurities.com **Website**: www.hemsecurities.com **Investor grievance e-mail**: redressal@hemsecurities.com **Contact Person**: Roshni Lahoti **SEBI Registration No. INM000010981**	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, L.B. S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Telephone:** +91 81081 14949 **E-mail:** manbafinanceipo@linkintime.co.in **Investor grievance e-mail:** manbafinanceipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/ ISSUE PROGRAMME

BID / ISSUE OPENS ON	[●]*
BID / ISSUE CLOSES ON[#]	[●]**

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

***Our Company may, in consultation with the BRLM, consider the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR regulations.*

[#]UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, 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.

Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Tax Benefits", "Financial Information", "Basis for Issue Price", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" on pages 134, 222, 128, 269, 112, 382 and 433, respectively, shall have the meaning ascribed to them in the relevant section.

General terms

Term	Description
Our Company/ the Company/ Issuer/ Issuer Company/ Manba Finance	Manba Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office located at 324, Runwal Heights Commercial Complex, L.B.S Marg, Opp. Nirmal Lifestyle, Mulund (West), Mumbai 400 080, Maharashtra, India and Corporate Office located at IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India
We/ us/ our	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
AoA /Articles of Association or Articles	The articles of association of our Company, as amended
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*" on page 249
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being, Venus Shah and Associates, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company, as described in "*Our Management*", on page 240
Branches	The local offices of our Company which support our Locations and Dealers based on the hub and spoke model. For further details, see, "*Our Business – Dealer Network*" and "*Our Business – Customer reach*" on pages 215 and 216
CRISIL Report	Report titled '*Industry Report on NBFC sector in India*' dated November 2023 prepared by CRISIL Limited and is available on our Company's website at www.manbafinance.com/investor-relation/
Chairman	The Chairman of our Company, being Anshu Shrivastava
Chief Financial Officer/CFO	Chief financial officer of our Company, being Jay Khushal Mota
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, being Bhavisha Ashish Jain
Corporate Office	The Corporate Office of our Company located IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India

Term	Description
Corporate Promoters	The Corporate Promoters of our Company, being Manba Investments and Securities Private Limited, Avalon Advisory and Consultant Services Private Limited, Manba Fincorp Private Limited, Manba Infotech LLP and Manish Kiritkumar Shah (HUF).
CSR Committee/ Corporate Social Responsibility Committee	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 our Board*" on page 249
Dealers	Dealers of new 2W/3W ICE (Internal Combustion Engine), 2EVWs and 3EVWs including Used Car Dealers.
Director(s)	Directors on our Board as described in "*Our Management*", on page 240
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Executive Director(s)	Executive Directors shall include Managing Director and Whole-time Directors(s) on our Board, as described in "*Our Management*", on page 240
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please see "*Our Management*" on page 240
Individual Promoters	The Individual Promoters of our Company, being Manish Kiritkumar Shah, Nikita Manish Shah and Monil Manish Shah
KMP/ Key Managerial Personnel	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, 2013 as applicable and as further disclosed in "*Our Management*" on page 240
Locations	Areas where our Company has Dealer relationships and includes branches. For further details, see, "*Our Business – Dealer Network*" and "*Our Business – Customer reach*" on pages 215 and 216
Managing Director	The managing director of our Company, being Manish Kiritkumar Shah
Materiality Policy	The policy adopted by our Board in its meeting held on January 17, 2024, for identification of material: (a) outstanding litigation proceedings; (b) creditors; and (c) group companies, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time
New Vehicle Loans	Loans offered by our Company to the customer for the purchase of new 2W/3W/EV2Ws/EV3Ws including the Top-up Loans.
Nomination and Remuneration Committee	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 our Board*" on page 249
Personal Loans	Loans offered to individuals for their funding requirements
Promoter Group	Such individuals and entities which constituting the promoter group of our Company, pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed in "*Our Promoters and Promoter Group*" on page 258
Promoters	The Individual and Corporate Promoters of our Company, being Manish Kiritkumar Shah, Nikita Manish Shah, Monil Manish Shah, Manba Investments and Securities Private Limited, Avalon Advisory and Consultant Services Private Limited, Manba Fincorp Private Limited, Manba Infotech LLP and Manish Kiritkumar Shah (HUF). For further details, please see "*Our Promoters and Promoter Group*" on page 258
PTCs	Pass Through Certificates
Registered Office	The registered office of our Company, located at 306, Runwal Heights, Opp. Nirmal Lifestyle, LBS Marg, Mulund (W), Mumbai – 400 080, Maharashtra, India;
Restated Financial Statements/ Restated Financial Information	The Restated Financial Information comprises of the restated statement of assets and liabilities as at September 30, 2023 and for the Financial Year ended on March 31, 2023, March 31, 2022 and March 31, 2021, the restated statements of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated statement of cash flows for the six months period

Term	Description
	ended September 30, 2023 and for the Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies and other explanatory information read together with summary statement of significant accounting policies, annexures and notes thereto prepared in accordance with Ind AS and restated by Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.
RoC/Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
Senior Management Personnel	Senior Management Personnel of our Company in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as further disclosed in "*Our Management*" on page 240
Shareholder(s)	Shareholders of our Company, from time to time
Small Business Loans	Loans offered by our Company to individuals and MSMEs for their business purposes
Stakeholders Relationship Committee	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 our Board*" on page 249
Top-up Loans	Additional loan offered to existing customers of New Vehicle Loans secured against the original asset funded by our Company.
Used Car Dealers	Dealers of Used Cars offering sale of pre-owned vehicles to interested customers
Used Cars	A pre-owned car being sold by the existing owner to a potential customer through a Used Car Dealers
Used Car Loans	Loans offered by our Company to the customer for the purchase of Used Cars.
Whole-time Director(s)	The whole-time director(s) of our Company, being Nikita Manish Shah, Monil Manish Shah and Jay Khushal Mota

Issue related terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to all the Bidders who have bid in the Issue after approval of the Basis of Allotment by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has bid for an amount of at least ₹ 1,000 lakhs
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors during the Anchor Investor Bid/Issue Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM.
Anchor Investor Application Form	The application form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The 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

Term	Description
	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 BRLM.
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the 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 BRLM to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Issue Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in *"Issue Procedure"* on page 411
Bid	An 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 Bidding Date 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 as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder 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 RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Issue, as applicable
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, which shall be published in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office and Corporate Office is located, each with wide circulation. In case of any revisions, the extended Bid/ Issue Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by

Term	Description
	intimation to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations Our Company in consultation with the Book Running Lead Manager 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 notified on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, 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 for the Issue, being [●], which shall be published in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi newspaper, a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office and Corporate Office is located, each with wide circulation.
Bid/ Issue Period	Except in relation to Bid by 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 in terms of the Red Herring Prospectus. Provided 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 Manager consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Issue Period will comprise Working Days only. In cases of force majeure, banking strike or similar circumstances, our Company 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
Bidder	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA 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 described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Manager/ BRLM	The book running lead manager to the Issue, being Hem Securities Limited
Broker Centres	Broker centres notified by 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 the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
CAN/Confirmation of Allocation Note	Notice or advice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and	Agreement to be entered into and amongst our Company the Registrar to the Issue,

Term	Description
Sponsor Bank Agreement	the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank(s), Public Issue Bank(s), Sponsor Bank and Refund Bank(s) in accordance with UPI Circulars, for inter alia, the appointment of the Sponsor Bank in accordance, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Circular on Streamlining of Public Issues/ UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, and the 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, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March30, 2020, SEBI circular no. SEBI/HO/CFD/DIL-2/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/P/CIR/P/2022/45 dated April 5, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder’s beneficiary account.
Collecting Depository Participant/ 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 circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of the Stock Exchanges.
Cut-off Price	The Issue Price, as finalised by our Company in consultation with the BRLM, shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non- Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Issue Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account(s) or the Refund Account(s), 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 Intermediaries	In relation to ASBA Forms submitted by RIBs (not using the UPI Mechanism) authorizing 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 using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs, SCSBs and RTAs.

Term	Description
	In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders (other than Anchor Investors) 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) and updated from time to time
Designated SCSB branches	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated March 6, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Issue, including the price at which the Equity Shares will be Allotted and the size of the Issue and including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an Issue/ invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, from jurisdiction outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH 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 bankers to an Issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First 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. ₹ [●] subject to any revision(s) thereto, 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
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document / GID	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of Stock Exchanges and the Book Running Lead Manager
Issue	The Issue comprises of initial public offering of up to 1,25,70,000 Equity Shares for cash at a price of ₹ [●], including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.
Issue Agreement	The agreement dated March 4, 2024 amongst our Company and the BRLM

Term	Description
	pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be allotted to ASBA Bidders in terms of the Red Herring Prospectus and 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 BRLM in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Minimum Promoters Contribution	Aggregate of 20% of the fully diluted post-Issue equity share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter that shall be locked-in for a period of 18 months from the date of Allotment. For details regarding the Minimum Promoters' Contribution, see "*Capital Structure*" on page 249
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by Bidders to submit Bids using the UPI Mechanism
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Net Proceeds	The gross proceeds from the Issue less Issue related expenses applicable to the Issue. For further information please see "*Objects of the Issue*" on page 106
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NIIs or Non-Institutional Bidders or NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion / NIBs	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, of which: (i) one-third shall be reserved for Bidders with Bids more than ₹ 2,00,000 and up to ₹ 10,00,000; and (ii) two-third shall be reserved for Bidders with Bids more than ₹ 10,00,000 subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office and Corporate Office is located, each with wide circulation and shall be made available to Stock Exchanges for the purpose of uploading on their websites.
Pricing Date	The date on which our Company in consultation with the BRLM will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is

Term	Description
	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 Bank(s)	The bank(s) which is a clearing member and registered with SEBI under the BTI Regulations, with whom the Public Issue Account(s) will be opened, in this case being [●]
Public Issue Account(s)	The 'no-lien' and 'non-interest bearing' account to be opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Issue Account Bank(s) to receive money from the Escrow Account(s) and from the ASBA Accounts on the Designated Date
QIB Category/ QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue, consisting of [●] Equity Shares, which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Bid/Issue Opening Date shall be at least three Working Days after the registration of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with Stock Exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012 and UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated March 4, 2024 entered into amongst our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the websites of Stock Exchanges, and the UPI Circulars
Registrar to the Issue/ Registrar	Link Intime India Private Limited
Retail Individual Bidders or RIB(s) or Retail Individual Investors or RII(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs), who have Bid for the Equity Shares for an amount not more than ₹ 2,00,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 35% of the Offer consisting of [●] Equity Shares, which 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
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA 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

Term	Description
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI 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 the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Banks	The Bankers to the Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders into the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, the Sponsor Banks in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	Agreement to be entered into among our Company, the BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries (other than the BRLM) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Issue and carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] to be entered into amongst the Underwriters and our Company to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual Bidders applying as Retail Individual Bidders in the Retail Portion, and individual Bidders applying as Non-Institutional Bidders with a Bid Amount of up to ₹ 5,00,000 in the Non-Institutional Portion by using the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5,00,000 shall use UPI 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 ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment

Term	Description
UPI Mechanism	The Bidding mechanism that may be used by a UPI Bidders to make a Bid in the Issue in accordance with UPI Circulars
UPI PIN	A Password to authenticate UPI transaction
Wilful Defaulter or a Fraudulent Borrower	Means a person or an issuer who or which is categorized as a wilful defaulter or 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 wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India are open for business and the time period between the Bid/Issue Closing Date and listing of the Equity Shares on Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Conventional & General Terms and Abbreviations

Term	Description
Aadhar Act	Aadhar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act. 2016
A/c	Account
AGM	Annual General Meeting
AI	Artificial Intelligence
AIFs	Alternative Investment Funds as defined in and registered under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended
Auditor's Report Directions	Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016
Average Equity or Average Net Worth	Average Equity or Average Net Worth represents the simple average of our equity or Net Worth as of the last day of the relevant period and our equity or Net Worth as of the last day of the previous period.
Average Yield of Average AUM	The ratio of interest income on loan assets for a period to the average AUM for the period
Basic EPS	EPS as computed in accordance with Indian AccountingStandard 33
BIS	Bureau of Indian Standards
BSE	BSE Limited
COVID-19	An infectious disease caused by the SARS-CoV-2 virus (Corona virus disease)
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Cost of Borrowings	Total interest expense divided by the average of sum borrowings, expressed as a percentage
Credit cost to Average AUM	Impairment on financial instruments divided by average AUM, expressed as percentage

Term	Description
CSR	Corporate Social Responsibility
CST	Central Sales Tax
Data Protection Act	The Digital Personal Data Protection Act, 2023
DBO	Defined Benefit Obligation
Depositories Act	Depositories Act, 1996
Depository or Depositories	NSDL and CDSL
DIC	District Industries Centre
Diluted EPS	EPS as computed in accordance with Indian AccountingStandard 33
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
DTD	Debenture Trust Deeds
EBITDA	Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation, and amortisation and impairment expense and reducing other income.
EGM	Extraordinary General Meeting
EMS	Environmental Management System
EOU	Export Oriented Unit
EPS	Net Profit after tax, as restated, divided by weighted average no. of equity shares outstanding during the year/ period. (as adjusted for change in capital due to bonus shares
EUR/ €	Euro
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY/ F.Y.	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
FIR	First Information Report
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined under SEBI FVCI Regulations
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
Gross Loan Book	Aggregate of future principal outstanding, principal overdue, interest overdue and interest accrued but not due from borrowers pertaining to loans held in our books as on the last day of the relevant period.
Gross NPA (%)	Gross NPA as of the last day or the relevant period, represented as a percentage of the Gross Loan Book
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICE	Internal Combustion Engine
I.T. Act	The Income Tax Act, 1961, as amended
Information Technology Act	Information Technology Act, 2000
IBC	Insolvency and Bankruptcy Code
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR	Indian National Rupee
IPO	Initial Public Offer
IRDAI	Insurance Regulatory Development Authority of India
ISIN	International Securities Identification Number
IT	Information Technology
IT Framework Directions	Master Direction - Information Technology Framework for the NBFC Sector Directions, dated June 8, 2017
IT Governance Directions	Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, dated November 7, 2023
ITC	Input Tax Credit
KYC	Know Your Customer
KYC Directions	Master Direction (Know Your Customer) Directions, 2016 dated February 25, 2016
Master Directions 2023	Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023
Master Directions on Securitization of Standard Assets	Master Direction – Reserve Bank of India (Securitization of Standard Assets) Directions, 2021
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million
Monitoring of Frauds Directions	Master Direction for Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016
MSME	Micro, Small & Medium Enterprises
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically important NBFC-ND
NBFC-BL	NBFC - Base Layer as per the Master Directions 2023
NBFC-ML	NBFC - Middle Layer as per the Master Directions 2023
NBFC-UL	NBFC – Upper Layer as per the Master Directions 2023
NBFC-TL	NBFC - Top Layer as per the Master Direction 2023
NCDs	Non-Convertible Debentures
NEFT	National Electronic Fund Transfer
Net Interest Income	Total interest income minus total adjusted finance cost.
Net Interest Income to Average AUM	Net interest income divided by average AUM, expressed as percentage
Net Interest Income Margin	Net interest income divided by total income, expressed as percentage
Net NPA %	Net NPA as of the last day or the relevant day or period to the net loan book as of the last day of the relevant period, represented as a percentage
NFE	Net Foreign Exchange
Non-Resident	A person resident outside India, as defined under FEMA
NPCI	National Payments Corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955

Term	Description
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ 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 the 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 the FEMA. OCBs are not allowed to invest in the Issue
OECD	Organization for Economic Co-operation and Development
Operating Expenses to Average AUM	Operating expenses (sum of, Fee and commission expenses, Employee benefits expenses, Depreciation and amortization expense, impairment on financial instruments and Other expenses) divided by average AUM, expressed as percentage
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PAT	Profit before tax (less) current tax (less) deferred tax
PAT to Average AUM	Profit after tax divided by average AUM, expressed as percentage
PAT Margin (%)	PAT Margin is calculated as restated profit after tax for the year as a percentage of total revenue
PMLA	Prevention of Money Laundering Act, 2002
Promoters' Contribution	An aggregated of at least 20% of the fully diluted post-Issue Equity Share capital of the Company held by the Promoters as set out in the Capital Structure section.
Provision Coverage Ratio	Total provisions created on Gross NPA for the period, as a percentage of total Gross NPAs as of the last day of the period
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Returns Master Direction	Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016
Return on Average Equity (%)	Profit after tax divided by average total shareholder equity, expressed as percentage
Return on Total Average Assets (%)	Profit after tax divided by average total assets, expressed as percentage
RoC	Registrar of Companies, Maharashtra at Mumbai
RoC Search Report	Search Report dated March 5, 2024 issued by M/s. Ronak Jhuthawat & Co., Practising Company Secretary
RONW	Return on Net Worth
Rs./ Rupees/ ₹ / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SBR Framework	Scale Based regulation ("SBR")- Revised Regulatory Framework for NBFCs by the RBI, 2021, dated October 22, 2021
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SD	Security Deposit
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure

Term	Description
Regulations	Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
Settlement Framework	Framework for Compromise Settlements and Technical Write-offs dated June 8, 2023
State Government	Government of a State in India
Statement on DRP Policies	Statement on Development and Regulatory Policies dated August 6, 2020
STT	Securities Transaction Tax
Supervisory Direction	Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024 dated February 27, 2024
TDS	Tax Deducted at Sources
Total Borrowings to Shareholder Equity ratio	Total borrowings outstanding as on the last day of the period to total shareholder equity
Trade Marks Act	Trade Marks Act, 1999
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S. / US	The United States of America
USD / US$	United States Dollars
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations

Technical and Industry Related Terms

Terms	Description
2Ws	Two Wheelers
3Ws	Three Wheelers
4Ws	Four Wheelers
ACC	Advanced Chemistry Cell
API	Application Programming Interfaces
ATS	Average Ticket Size
AUM	Assets Under Management
BFSI	Banking, Financial Services and Insurance
BP	Basis Points
CAD	Current Account Deficit
CIBIL	Credit Information Bureau Indian Limited
CPI	Consumer Price Index
CRM	Customer Relationship Management
DBT	Direct Benefit Transfer
DPD	Days Past Due
DPDPA	The Digital Personal Data Protection Act
DPI	Digital Public Infrastructure
DSA	Direct Selling Agents
ECLGS	Emergency Credit Line Guarantee Scheme

Terms	Description
EMI	Equated Monthly Installment
E-Nach	Electronic National Automated Clearing House
EV	Electric Vehicle
EV OEMs	Electric Vehicle Original Equipment Manufacturers
EV2Ws / eTW	Electric Two Wheelers
EV3Ws	Electric Three Wheelers
FADA	Federation of Automobile Dealers Association
FAME	Faster Adoption and Manufacturing of Hybrid and Electric
FLDG	First Loss Default Guarantee
GDP	Gross Domestic Product
GNPAs	Gross Non-Performing Assets
GPRS	General Packet Radio Services
GPS	Global Positioning System
IMF	International Monetary Fund
LAS	Loan Accounting System
LMS	Loan Management System
LSP	Lending Service Providers
LTV	Loan-to-Value
MoRTH	Ministry of Road Transport and Highways
MPC	Monetary Policy Committee
MRL	Major Rural Links
NCFE-FLIS	National Financial Literacy and Inclusion Survey
NEMMP	National Electric Mobility Mission Plan
NIM	Net Interest Margin
NNPA	Net Non-Performing Asset
NOC	No Objection Certificate
NPA	Non Performing Assets
OEMs	Original Equipment Manufacturers
PLI	Production Linked Incentive
PMJDY	Pradhan Mantri Jan Dhan Yojna
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojna
PPP	Purchasing Power Parity
PTCs	Pass Through Certificates
ROA	Return on Assets
ROE	Return on Equity
STPL	Small-Ticket Personal Loans
TAT	Turnaround Time
TU CIBIL	TransUnion CIBIL
UPI	United Payments Interface

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. All references to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "US", "U.S.A" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Further, 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

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements.

The Restated Financial Statement included in this Draft Red Herring Prospectus comprises of the Restated Financial Statements of our Company, which comprise of the restated summary statement of assets and liabilities as at six months period ended on September 30, 2023 and for the financial year as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated summary statements of profit and loss, the restated summary statement of cash flows and the restated statement of changes in equity for the six months period ended September 30, 2023 and for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021, read together with summary statement of significant accounting policies, annexures and notes thereto prepared in accordance with Ind AS and restated by Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.

For further information, please see "*Financial Information*" on page 269.

Our Company's financial year commences on April 1 and ends on March 31 of that particular calendar year. Accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12 months period ended on March 31 of such years. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, please see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.*" on page 64.

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 26, 135 and 355, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from the Restated Financial Statements.

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. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP financial measures and certain other statistical and operational information relating to our operations and financial performance, such as our average cost of borrowing, net NPA on gross loans, provision coverage ratio, net worth, return on equity, total borrowings to equity ratio, operating expenses to net income, return on total average assets, operating expenses to average total assets, pre provision operating profit, credit cost to average total assets, average yield on average AUM, net interest margin to average total assets, net asset value per equity share, operating expenses, total borrowings to net worth, return on net worth and EBITDA ("Non-GAAP Financial Measures") have been included in this section and elsewhere in this Draft Red Herring Prospectus. 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 and other statistical and operational information 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 other banks in India or elsewhere. These Non-GAAP Financial Measures and other statistical and operational information have been reconciled to their nearest GAAP measure in "*Our Business*", "*Selected Statistical Information*", "*Other Financial Information*" and "*Capitalisation Statement*" on pages 196, 270, 349 and 351, respectively.

Currency and Units of Presentation

All references to "**Rupees**" or "**₹**" or "**Rs**." are to Indian Rupees, the official currency of the Republic of India.

All references to "**US$**", "**US Dollar**", or "**USD**" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs. One lakh represents 'lakh' or 1,00,000 and one million represents 'million' or 10,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their 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.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Indian Rupee, are as follows.

(in ₹)

Currency	Exchange Rate as on			
	September 30, 2023(2)	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.06	82.22	75.81	73.50

Source: www.fbil.org.in

(1) All figures are rounded up to two decimals.

(2) If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus has been obtained or derived from "*Industry Report on NBFC Sector in India*" dated November 2023 prepared and released by CRISIL Limited and exclusively commissioned and paid by our Company for an agreed fee (the "**CRISIL Report**") for the purposes of confirming our understanding of the industry in connection with the Issue and it is available on our Company's website at www.manbafinance.com/investor-relation/. CRISIL Limited was appointed by our Company on October 30, 2023. For details of risks in relation to the CRISIL Report, see "*Risk Factors – This Draft Red Herring Prospectus contains information from third parties and from the CRISIL Report prepared by CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*" on page 60. The CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. 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. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. 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. Manba 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.*"

CRISIL Limited has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

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 publications are also prepared based on information as at 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.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM or any of its affiliates or advisors. 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. 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. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section '*Risk Factors*' on page 33. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

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.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*", on page 112 includes information relating to our peer group companies. Such information has been derived from publicly available sources. No investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "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", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import but are not the exclusive means of identifying such statements. Similarly, statements that describe our strategies, objectives, plans, goals, future events, future financial performance or financial needs are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reason described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate 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 which have an impact on its 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 the industries in which we operate.

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

- Inability to maintain relationships with our Dealers from whom we derive significant portion of our New Vehicle Loans business;
- New Vehicle Loans account constitute majority of our AUM. Lack of diversity in our loan products may affect our growth, prospects and financial condition;
- Failure in leveraging our existing Branches and Locations setup for offering new products;
- Inability to sustain our growth or manage our growth effectively or execute our growth strategy effectively;
- Our business and operations are dependent on our ability to timely access cost effective sources of funding. Any disruption in our sources of funding could have an adverse effect on our business, results of operations and financial condition;
- Inability to adequately assess and recover the assessed or full value of collateral or amounts outstanding under defaulted loans in a timely manner, or at all, could adversely affect our business, results of operations and financial condition;
- We have a huge concentration of loans to the salaried and self-employed and the risk of non-payment or default by our borrowers may adversely affect our business, results of operations and financial condition;
- Inability to maintain the quality of our loan portfolio or manage the growing loan portfolio which may result in significantly larger non-performing assets and provisions;
- A portion of our customers are first time borrowers which increases risks of non-payment or default for us.

For details regarding factors that could cause actual results to differ from expectations, please see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 26, 135 and 355, 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 gains or losses could materially differ from those that have been estimated.

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. Our forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Neither our Company, our Promoters, our Directors, the Book Running Lead Manager nor any of its respective affiliates or advisors 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 SEBI ICDR Regulations, our Company and the Book Running Lead Manager will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by Stock Exchanges for the Issue.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring 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 the sections titled "Risk Factors", "The Issue", "Capital Structure", "Objects of the Issue", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Financial Statements", "Outstanding Litigation and Other Material Developments" and "Issue Procedure" on pages 26, 71, 84, 106, 134, 135, 258, 287, 382, and 411, respectively of this Draft Red Herring Prospectus.

Primary business of our Company

We are a NBFC-BL providing financial solutions for New 2Ws, 3Ws, EV2Ws, EV3Ws, Used Cars, Small Business Loans and Personal Loans with an AUM size of more than ₹ 80,000 lakhs as on December 31, 2023. About 99% of our loan portfolio comprises of New Vehicle Loans with an average ticket size (ATS) of around ₹ 0.80 lakhs. We provide financial solutions to our target customers who are looking for a quick turnaround time (TAT) for loan sanction and disbursement. We are based out of Mumbai, Maharashtra and operate out of 65 Locations connected to 28 branches across five (5) states in western, central and north India. We have established deep and long-term relationships with more than 850 Dealers, including more than 60 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh.

For further details, please see "*Our Business*" on page 135.

Summary of industry in which our Company operates

CRISIL MI&A expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 10-12% from fiscal 2023 to fiscal 2026 post a robust recovery in fiscal 2023. Scooters are expected to witness higher penetration in the rural market (scooters have an urban market share of ~65-75%) which will drive growth. The consumer preference shifting towards higher 'cc' scooters (125cc) is also likely to aid demand.

Further, CRISIL MI&A expects two-wheeler disbursements to grow at 13-15% CAGR from fiscal 2023 to 2026, driven by recovery in scooter sales with improvement in urban sentiments along with increase in two-wheeler EV penetration and improving rural infrastructure. (*Source: CRISIL Report)*.

For further details, please see "*Industry Overview*" on page 134.

Name of Promoters

As on the date of this Draft Red Herring Prospectus, the Promoters of our Company are Manish Kiritkumar Shah, Nikita Manish Shah, Monil Manish Shah, Manba Investments and Securities Private Limited, Avalon Advisory and Consultant Services Private Limited, Manba Fincorp Private Limited, Manba Infotech LLP and Manish Kiritkumar Shah (HUF). For further details, please see "*Our Promoters and Promoter Group*" on page 258.

The Issue

The Issue comprises of initial public offering of up to 1,25,70,000 Equity Shares for cash at a price of ₹ [●], including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

Objects of the Issue

Our Company proposes to utilise the Net Proceeds towards the following objects:

(₹ in lakhs)

Particulars	Amount
Augmenting our capital base to meet our Company's future capital requirements towards onward lending	[●]
General corporate purposes	[●]
Net Proceeds	[●]

(1) To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC

For further details, please see "*Objects of the Issue*" on page 106.

Aggregate pre-Issue shareholding of our Promoters and Promoter Group

The aggregate pre-Issue shareholding of our Promoters and Promoter Group as a percentage of the pre-Issue paid-up equity share capital of our Company is set out below:

Sr. No.	Name of the shareholder	Pre-Issue		Post-Issue	
		Number of Equity Shares held	Percentage of the pre-Issue paid-up Equity Share capital (%)	Number of Equity Shares held	Percentage of the post-Issue paid-up Equity Share capital (%)
Promoters					
1.	Manish Kiritkumar Shah	65,59,848	17.41	[●]	[●]
2.	Nikita Manish Shah	50,04,270	13.29	[●]	[●]
3.	Manish Kiritkumar Shah (HUF)	22,14,846	5.88	[●]	[●]
4.	Monil Manish Shah	17,94,549	4.76	[●]	[●]
5.	Manba Investments and Securities Private Limited	1,39,06,038	36.92	[●]	[●]
6.	Avalon Advisory and Consultant Services Private Limited	24,95,700	6.63	[●]	[●]
7.	Manba Fincorp Private Limited	20,87,706	5.54	[●]	[●]
8.	Manba Infotech LLP	36,01,053	9.56	[●]	[●]
Promoter Group members					
9.	Mansi Hardik Shah (alias Mansi Manish Shah)	5,400	0.01	[●]	[●]
	Total	**3,76,69,410**	**100.00**	[●]	[●]

For further details, please see "*Capital Structure*" on page 84.

Summary of Financial Information

A summary of the financial information of our Company as derived from the Restated Financial Statements for six months period ended September 30, 2023 for Fiscal 2023, 2022 and 2021 are as follows:

(*₹ in lakhs except for percentages*)

Particulars	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity Share capital	1,255.65	1,255.65	1,255.65	1,255.65
Net Worth	18,535.38	16,843.13	15,174.38	14,193.21
Revenue from operations	8,828.86	13,331.64	10,659.06	10,565.63
Total income	8,828.93	13,331.71	10,661.94	10,576.43
Restated Profit for the period / year	1,680.36	1,658.01	974.02	936.33
Earnings per share (Basic & Diluted)	4.46	4.40	2.59	2.49
Return on Net Worth (in %)	9.07	9.84	6.42	6.60
Net Asset Value per Equity Share (in ₹)	49.21	44.71	40.28	37.68
Total borrowings	65,122.56	59,593.01	39,439.73	40,467.55

For further details, please see "*Restated Financial Statements*" on page 287.

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

There are no qualifications by the Statutory Auditors which have not been given effect to in the Restated Financial Statements. For further details, see “*Restated Financial Statements*” on page 287.

Summary of outstanding litigations

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

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved (₹ in lakhs)*
1.	**Company**						
	By the Company	4	Nil	Nil	Nil	Nil	57.64
	Against the Company	Nil	10	Nil	Nil	2	294.13
2.	**Directors (Other than Promoters)**						
	By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
3.	**Promoters**						
	By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Promoter	Nil	8	Nil	Nil	Nil	111.18

**To the extent quantifiable*

For further details, please see “*Outstanding Litigation and Material Developments*” on page 382.

Risk Factors

Investors should see “*Risk Factors*”, on page 33 to have an informed view before making an investment decision.

Summary of contingent liabilities and commitments

(₹ in lakhs)

Particulars	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Disputed Income Taxes	223.75	223.75	235.74	235.74

For further details, please see “*Restated Financial Statements – Note 35 – Contingent Liabilities*” on page 287.

Summary of related party transactions

A summary of related party transactions entered into by our Company with related parties and as disclosed in the Restated Financial Statements for six months period ended September 30, 2023 and for Fiscal 2023, 2022 and 2021 are as follows is set forth below:

(₹ in lakhs, except for percentages)

Nature of transaction	Name of the related party	September 30, 2023	% of the revenue	Fiscal 2023	% of the revenue	Fiscal 2022	% of the revenue	Fiscal 2021	% of the revenue
Remuneration to KMP's	Manish Kiritkumar Shah	100.00	1.13%	200.00	1.50%	200.00	1.88%	116.67	1.10%
	Nikita Manish Shah	45.00	0.51%	75.00	0.56%	75.00	0.70%	43.75	0.41%
	Monil Manish Shah	48.00	0.54%	78.00	0.59%	78.00	0.73%	45.50	0.43%
	Mansi Hardik Shah	-	-	-	-	-	-	1.00	0.01%
	Jay Khushal Mota	22.26	0.25%	40.94	0.31%	35.30	0.33%	33.38	0.32%
	Bhavisha Ashish Jain	2.42	0.03%	4.31	0.03%	3.95	0.04%	3.60	0.03%
	Total	**217.67**	**2.47%**	**398.25**	**2.99%**	**392.24**	**3.68%**	**243.90**	**2.30%**
Loan Taken or Repayment received	Manish Kiritkumar Shah	2.57	0.03%	18.93	0.14%	46.57	0.44%	-	-
	Manish Kiritkumar Shah HUF	3.87	0.04%	-	0.00%	-	-	-	-
	Monil Manish Shah	-	-	0.91	0.01%	11.47	0.11%	-	-
	Nikita Manish Shah	-	-	0.82	0.01%	16.53	0.15%	-	-
	Total	**6.44**	**0.07%**	**20.66**	**0.16%**	**74.56**	**0.70%**	**-**	**-**
Loan Given or Loan Repaid	Manish Kiritkumar Shah	2.57	0.03%	8.46	0.06%	46.47	0.44%	-	-
	Manish Kiritkumar Shah HUF	3.87	0.04%	-	-	-	-	-	-
	Monil Manish Shah	-	-	0.91	0.01%	11.47	0.11%	-	-
	Nikita Manish Shah	-	-	0.82	0.01%	16.53	0.15%	-	-
	Total	**6.44**	**0.07%**	**10.19**	**0.08%**	**74.46**	**0.70%**	**-**	**-**
Company under same management ~ Loan taken or Repayment received	Ride Choice Limited	0.52	0.01%	-	-	0.12	0.00%	-	-
	Theme Infotech Private Limited	262.32	2.97%	456.50	3.42%	261.41	2.45%	-	-

Nature of transaction	Name of the related party	September 30, 2023	% of the revenue	Fiscal 2023	% of the revenue	Fiscal 2022	% of the revenue	Fiscal 2021	% of the revenue
	Manba Investments and Securities Private Limited	6.35	0.07%	26.09	0.20%	232.48	2.18%	-	-
	Aarambh Properties LLP	5.06	0.06%	248.58	1.86%	244.53	2.29%	-	-
	Nirvan Vastu Developers LLP	32.09	0.36%	0.26	0.00%	23.26	0.22%	0.01	0.00%
	Celebrity Buildcon LLP	3.98	0.05%	2.36	0.02%	1.46	0.01%	-	-
	Manba Fincorp Private Limited	0.94	0.01%	3.50	0.03%	11.17	0.10%	-	-
	Celebrity Project Private Limited	-	-	6.03	0.05%	1.55	0.01%	-	-
	Innovative Automobiles private limited	-	-	-	-	-	-	0.03	0.00%
	Riders Auto Services Private limited	50.89	0.58%	-	-	264.87	2.48%	-	-
Total		**362.15**	**4.10%**	**743.32**	**5.58%**	**1,040.86**	**9.76%**	**0.04**	**0.00%**
Company under same management ~ Loan Given or Loan Repaid	Ride Choice Limited	0.29	0.00%	0.23	0.00%	0.12	0.00%	-	-
	Theme Infotech Private Limited	6.40	0.07%	53.45	0.40%	198.05	1.86%	731.37	6.92%
	Manba Investments and Securities Private Limited	6.35	0.07%	26.09	0.20%	232.48	2.18%	-	-
	Aarambh Properties LLP	5.06	0.06%	9.35	0.07%	58.00	0.54%	423.04	4.00%
	Nirvan Vastu Developers LLP	32.09	0.36%	0.26	0.00%	23.28	0.22%	-	-
	Celebrity Buildcon LLP	3.98	0.05%	2.36	0.02%	1.46	0.01%	-	-

Nature of transaction	Name of the related party	September 30, 2023	% of the revenue	Fiscal 2023	% of the revenue	Fiscal 2022	% of the revenue	Fiscal 2021	% of the revenue
	Manba Fincorp Private Limited	0.94	0.01%	3.50	0.03%	11.17	0.10%	-	-
	Celebrity Project Private Limited	-	-	6.03	0.05%	1.55	0.01%	-	-
	Innovative Automobiles private limited	-	-	-	-	-	-	17.75	0.17%
	Riders Auto Services Private limited	5.30	0.06%	92.75	0.70%	100.61	0.94%	512.76	4.85%
Total		**60.40**	**0.68%**	**194.02**	**1.46%**	**626.72**	**5.88%**	**1,684.92**	**15.95%**
Interest income	Ride Choice Limited	-	-	-	-	-	-	-	-
	Theme Infotech Private Limited	6.24	0.07%	62.14	0.47%	79.69	0.75%	85.17	0.81%
	Aarambh Properties LLP	-	-	3.02	0.02%	37.19	0.35%	10.07	0.10%
	Celebrity Lifespace Private Limited	-	-	-	-	-	-	2.13	0.02%
	Riders Auto Services Private Limited	3.25	0.04%	7.08	0.05%	33.47	0.31%	13.02	0.12%
Total		**9.49**	**0.11%**	**72.72**	**0.54%**	**150.35**	**1.41%**	**110.39**	**1.04%**

For further details, please see "*Restated Financial Statements – 39 – Related Party Disclosures*" on page 287.

Financing Arrangements

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

Weighted average price at which the Equity Shares were acquired by our Promoters in one year preceding the date of this Draft Red Herring Prospectus

Except for the bonus issue undertaken by our Company on January 17, 2024, our Promoters have not acquired any Equity Shares in one year preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure*" on page 84.

Weighted average cost of acquisition of all Equity Shares transacted by the shareholders in the three years, eighteen months and one year preceding the date of this Draft Red Herring Prospectus

Weighted average cost of acquisition of all Equity Shares transacted by the shareholders in the three years, eighteen months and one year preceding the date of this Draft Red Herring Prospectus is set forth below:

Particulars	Weighted Average Cost of Acquisition (WACA) (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price Lowest Price-Highest Price (in ₹)
Last 3 years	NIL	[●]	[●]
Last 18 months	NIL	[●]	[●]
Last 1 year	NIL	[●]	[●]

As certified by Venus Shah & Associates, Chartered Accountants pursuant to their certificate dated March 6, 2024.

Average cost of acquisition of Equity Shares for our Promoters Prospectus

The average cost of acquisition of Equity Shares held by our Promoters set forth in the table below:

Name of shareholder	Number of Equity Shares held	Average cost of Acquisition per Equity Share (in ₹)*
Manish Kiritkumar Shah	65,59,848	15.25
Nikita Manish Shah	50,04,270	13.86
Monil Manish Shah	17,94,549	27.87
Manba Investments and Securities Private Limited	1,39,06,038	13.24
Manba Fincorp Private Limited	20,87,706	24.25
Avalon Advisory and Consultant Services Private Limited	24,95,700	19.44
Manba Infotech LLP	36,01,053	31.63
Manish Kiritkumar Shah (HUF)	22,14,846	29.49

**As certified by Venus Shah & Associates, Chartered Accountants pursuant to their certificate dated March 6, 2024.*

Details of pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until grant of listing and trading permission by the Stock Exchanges.

Issuance of equity shares for consideration other than cash in the last one year

Except for the bonus issue undertaken by our Company on January 17, 2024, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure*" on page 84.

Split/consolidation of Equity Shares in the last one year

Our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

As on the date of this Draft Red Herring Prospectus, we have not sought any exemption from SEBI from complying with any provisions of securities laws including SEBI ICDR Regulations from SEBI, in respect of the Issue.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, but also to the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 135, 287 and 355, respectively of this Draft Red Herring Prospectus, 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. 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.

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, please see "Forward-Looking Statements" on page 24 of this Draft Red Herring Prospectus.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, please see "Restated Financial Statements" on page 287 of this Draft Red Herring Prospectus. We have, in this Draft Red Herring Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in same business as of our Company in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*The industry and market information contained in this section has been derived from a report titled "Industry Report on NBFC Sector in India" dated November 2023 which was commissioned by and paid for by our Company (the "**CRISIL Report**") in connection with the Issue. The CRISIL Report is available on our Company's website at www.manbafinance.com/investor-relation/.*

INTERNAL RISK FACTORS

1. ***Our business and future prospects could get adversely affected if we are not able to maintain relationships with our Dealers from whom we derive significant portion of our New Vehicle Loans business.***

   We are a NBFC-BL providing tailored financial solutions for New 2Ws, 3Ws, EV2Ws, EV3Ws, Used Cars Loans, Small Business Loans and Personal Loans with an AUM size of more than 80,000 lakhs as on December 31, 2023. Our Company has established strong relationships with more than 850 Dealers, including more than 60 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh who refer and recommend our Company to customers who are in the process of purchasing new 2Ws/3Ws/EV2Ws/EV3Ws or used cars. Dealers play an important role in the vehicle financing ecosystem as vehicle purchase in India is mainly undertaken by the customer visiting the outlet of the Dealer of a particular OEM or a Dealer selling 2Ws/3Ws of multiple OEMs. The Dealer is normally the source in the ecosystem to become aware of the funding requirements of the customer who has come to purchase the vehicle and also a guide to the customer on the options of finance companies available for the purchase of the vehicle. The Dealer is therefore a critical source for our Company as he generates the lead on the funding requirements of the customer. Our strong relationship with the Dealers enables immediate access to the information on the funding requirements of the customer and helps in responding to these requirements by our representatives present at the dealer's premises and inform the customer about the quick TAT in the sanction and disbursement of the vehicle loan, if availed from our Company.

However, our arrangements with Dealers are on a non-exclusive basis and they may also work for our competitors in the future, which may adversely affect our ability to increase our customer base. At times we may not be able to maintain relations with some of our Dealers due to various reasons including inability to service customers as per their expectations leading to Dealer or customer dissatisfaction. This may lead to straining of relationships between our Company and the Dealer for an indefinite period of time. If such interruption were to continue for a substantial period of time, our business, prospects, financial condition and results of operations could be adversely affected. We also cannot assure that we will be successful in continuing our relationships with our Dealers and receive uninterrupted referrals from them. Any disruption, negligence or inefficiency in services provided by us to the customers or our Dealers could adversely affect our business, financial result and reputation.

2. ***New Vehicle Loans constitute majority of our AUM. Lack of diversity in our loan products may affect our growth, prospects and financial condition.***

In the long-term, CRISIL MI&A expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 10-12% from fiscal 2023 to fiscal 2026 post a robust recovery in fiscal 2023. Improving rural productivity, diversification towards horticultural crops, government income support schemes and structural measures taken by the government such as PM-KISAN, eNAM, Pradhan Mantri Fasal Bima Yojna (PMFBY) to name a few, will aid rural income in the long run. This is expected to drive sales of motorcycle segment, which will be a primary beneficiary of the rural growth. *(Source: CRISIL Report)*

Scooters are expected to witness higher penetration in the rural market (scooters have an urban market share of ~65-75%) which will drive growth. The consumer preference shifting towards higher 'cc' scooters (125cc) is also likely to aid demand. This is due to a ramp up seen in road construction over the last few years. However, EV penetration is going to eat up scooters market share in the long run. *(Source: CRISIL Report)*

New Vehicle Loans constitute 99% of our total AUM. We have over the period of time established ourselves as an NBFC focused on vehicle finance, especially 2Ws/3Ws. We will continue to focus on this market which is changing and evolving on a continuous basis with new products like EV2Ws and EV3Ws, which are now being increasingly preferred by customers due to the various benefits that EV2Ws/EV3Ws provides in an era of high fuel prices. The EV3Ws space is also catching up which is mainly a commercial segment, as small businesses and private transporters are now preferring EV3Ws for their business operations to save on high fuel costs and increase their margins by using EV3Ws for local or short distance transport.

We have recently diversified into Used Car Loans, Small Business Loans and Personal Loans. We cannot assure you that our loan portfolio diversification into Used Car Loans, Small Business Loans and Personal Loans will be successful or that we will be able to continue to grow further, at the same rate or at all. Though we have diversified into new loan products, we expect our New Vehicle Loan product to continue to form a substantial part of our business and operations in the near future. Our inability to manage this diversification or any failure in the success of these new products could have an adverse effect on our business, operations and financial condition.

3. ***Failure in leveraging our existing Branches and Locations setup for offering new products.***

We presently operate out of 65 Locations in Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh providing financial solutions to our target customers. We intend to leverage our reach to our customers through our Branches & Locations and offer Used Car Loans, Small Business Loans under our product, MANBA Vyaapaar loans and Personal Loans. We believe that leveraging our existing Branches and Locations as a base for offering these new loan products will enable speedy growth of these product offerings. We offer Small Business Loans to MSME businesses with ticket size ranging from ₹ 0.75 lakhs to ₹ 10.00 lakhs for a tenure of 12 months to 48 months to our target customers being small businesses like kirana stores, medical stores, carpenters, small manufacturing units and tailors who have restricted access to organized funding. We have recently launched our Personal Loan offerings in July 2023 and offer this product on quick TAT basis for sanction and disbursement. We have launched this product in all the five (5) states in which we presently operate. We offer Personal Loans upto ₹ 1.00 lakh to our target customers who are salaried and self-employed individuals who require funds on an immediate basis and do not have the time and resources to avail secured borrowings. Our Company will fund the customer for the purchase of a used car where the vehicle to be acquired is upto 12 years old and the funding tenure to be between 12 months to 48 months. Our ticket size for providing funds for Used Car Loans is between ₹ 2.00 lakhs to ₹ 6.00 lakhs. We have already launched these products in the Mumbai market in December 2023 and from April 2024 we are planning to launch these products in certain markets of Maharashtra and Gujarat.

The success of our new offerings Used Car Loans, Small Business Loans and Personal Loans largely depends on our existing Branches and Locations which largely offer New Vehicle Loans. Our new products may require skills, employee training and maintaining effective risk management policies to address emerging challenges. If we fail to implement new systems, processes, procedures and controls on a timely basis, we may not be able to meet our customers' needs, hire new employees and retain old employees or offer our new products or service. Further, a number of external factors beyond our control could also affect our ability to grow our new loan portfolio, including, among other things, competition and availability of cost-effective debt and equity capital. We cannot assure you that our existing or future management, operational and financial systems, processes, procedures and controls will be adequate to support the kind of operations required by these new product offerings. Failure to manage the growth of these new products could have an adverse effect on our business and results of operations.

4. ***We have experienced growth in recent years, and we may not be able to sustain our growth or manage it effectively or execute our growth strategy effectively.***

We commenced our business in 1998 as a NBFC from Mumbai, Maharashtra and scaled up our operations from 2009 with vehicle financing by way of growth in number of Branches and Locations across geographies and are now present in 65 Locations spread across five states in western, central and north India. We initially focused ourselves on Maharashtra and after gaining the necessary knowledge and experience, we expanded our operations to other states like Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh. We have experienced growth in recent years, and we have significantly expanded our operations. The following table sets forth growth in our total revenue, profit after tax and AUM from Fiscal 2021 to Fiscal 2023:

(₹ in lakhs, except for percentages)

Particulars	**Fiscal**		
	2021	**2022**	**2023**
Growth in Total Revenue			
Total Revenue	10,565.63	10,659.06	13,381.64
Growth in Total Revenue from Fiscal 2021 to Fiscal 2023 at a CAGR of (in %)	**12.33%**		
Growth in Profit After Tax			
Profit After Tax	936.33	974.02	1,658.01
Growth in Profit After Tax from Fiscal 2021 to Fiscal 2023 at a CAGR of (in %)	**33.07%**		
Growth in AUM			
AUM	53,011.75	49,582.62	63,368.90
Growth in AUM from Fiscal 2021 to Fiscal 2023 at a CAGR of (in %)	**9.33%**		

We intend to further penetrate our existing markets by not only offering 2Ws/3Ws/EV2Ws/EV3Ws loans but also diversifying our loan offerings to new products such as Used Car Loans, Small Business Loans and Personal Loans to customers. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, at the same rate or at all. Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates could have an adverse effect on our business, credit ratings and results of operations. We intend to achieve a profitable and sustainable growth of our loan assets by, among other things, focusing on the performance of our branch and location network and extracting operating leverage, expanding our branch and location network and continuing to invest in our technology and digitization initiatives. Our ability to execute our growth strategies will depend, among other things, on our ability to grow our customer base, improve customer experience, avail a cost-effective funding and scale up and grow our branch and location network efficiently. We will also need to manage relationships with a greater number of customers, service providers, lenders and other parties as we expand. As part of our growth strategy and taking into consideration the relevant market conditions and opportunities, we may change the composition of our Total AUM which may result in a change in the proportion of New Vehicle Loans, Used Car Loans, Small Business Loans and Personal Loans in our Total AUM going forward. Any such change in the composition of our Total AUM may impact our profitability, our asset-liability maturity profile and NPA levels. In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, processes, procedures and controls on a timely basis. If we fail to implement these systems, processes, procedures and controls on a timely basis, we may not be able to meet our customers' needs, hire new employees and retain old employees or operate our business effectively. Our ability to sustain our rate of growth also depends significantly upon our ability to select and retain key managerial personnel, investing in talent and employee training and maintaining effective risk management policies to address emerging challenges. Further, a number of external factors beyond our control could also affect our ability to continue to grow our business and loan portfolio, including, among other things, demand for retail loans in India, domestic economic growth, the RBI's monetary and regulatory policies, RBI regulations and directions, inflation, competition and availability of cost-effective debt and equity capital. We cannot assure you that our existing or future management, operational and financial systems, processes, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

5. ***Our business and operations are dependent on our ability to timely access cost effective sources of funding. Any disruption in our sources of funding could have an adverse effect on our business, results of operations and financial condition.***

The liquidity and profitability of our business depends, in large part, on our timely access to, and the costs associated with, raising funds. We secure our funding from diversified sources including term loans and cash credit facilities from public sector banks, private sector banks, small finance banks & other financial institutions and PTC and issuance of privately placed listed and unlisted NCDs to meet our capital requirements. We deploy various financial structures and issue various financial instruments for cost effective borrowing of funds from these institutions. Financial instruments like NCDs and PTC help us in achieving optimum levels of financial management and controls. We have entered into a co-lending arrangement with Muthoot Capital Services Limited on a 80:20 fund sharing basis in terms of RBI guidelines, where 80% of the funds are provided by Muthoot Capital Services Limited and the balance 20% is our obligation. On the operational aspects of this co-lending arrangement, our Company is undertaking all front-end and back-end lending, processing and collection activities under its name and brand. We are acting as the security agent in this arrangement where creation, perfection and enforcement of the security interests in the assets funded under this arrangement. Our ability to raise funds on acceptable terms, at competitive rates and in a timely manner, depends on various factors including our current and future results of operations and financial condition, our risk management policies, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. The cost of our borrowings may increase due to market volatility or changes in the risk premiums required by lenders or if traditional sources of debt capital are unavailable. Volatility or depressed valuations or trading prices in the equity markets may similarly adversely affect our ability to obtain equity financing. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution of their existing shareholding in our Company. Any adverse events affecting the NBFCs may lead to adverse perceptions about the retail loan industry, and the financial services sector as a whole, thereby affecting our ability to obtain financing at commercially reasonable terms. Furthermore, we may seek to expand or modify our existing debt facilities to, among other things, increase the maximum percentage of collateral that may be financed, expand loan eligibility, add new debt facilities or replace or renew debt facilities scheduled to expire, enter into additional securitizations or increase the size of existing securitizations, or increase the size of, or replace, our corporate debt facility. Our ability to raise debt to meet our funding requirements is also restricted by the limits prescribed under applicable regulations. For example, Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, requires NBFC-BL to have a Net Owned Fund ("**NOF**") of at least ₹ 200 lakhs. The following table sets forth the details pertaining to our Net Owned Fund for the periods indicated:

(₹ in lakhs)

Particulars	As of September 30, 2023	Fiscal		
		2023	2022	2021
Net Owned Fund	18,535.38	16,843.13	15,174.38	14,193.21

We fund substantially all of the loans through borrowings under our several financial facilities. The following table sets forth the breakdown of our financial liabilities by interest rate type as of December 31, 2023:

(₹ in lakhs except for percentages)

Particulars	Amount	% of total borrowings
Fixed Interest Rate Financial Liabilities	50,777.32	67.89
Floating Interest Rate Financial Liabilities	24,011.26	32.11
Total	**74,788.58**	**100.00**

For further details in relation to borrowings of our Company as of December 31, 2023, see "*Financial Indebtedness*" on page 352.

If we are unable to adequately maintain our cash resources and obtain adequate financing in a timely manner and on commercially reasonable terms, we may implement cost cutting procedures, delay or reduce future hiring, or reduce our rate of future originations compared to current level. There can be no assurance that we can obtain sufficient sources of external capital to support the growth of our business, including from our Promoter. Delays in doing so or failure to do so may require us to reduce loan originations or limit our operations, which would harm our ability to pursue our business objectives as well as harm our business, results of operations and financial condition.

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

Our loan products include, among others, New Vehicle Loans, Used Car Loans, Small Business Loans and Personal Loans to customers. Our New Vehicle Loan products, which accounted for 99% of our total AUM as of September 30, 2023, are secured by the vehicle purchased by the customer as collateral. We have recently started offering unsecured loan products viz. Small Business Loans and Personal Loans. For further details in relation to AUM, see "*Selected Statistical Information*" on page 270. The value of the collateral used to back our vehicle loans extended by us may not be adequate and may not accurately reflect its liquidation value. It may decline in the future due to our inability to recover the assessed value of the vehicle in case of a default by our customer. We may face difficulties in recovering the amounts against the New Vehicle Loans, Used Car Loans, Small Business Loans, and Personal Loans for various reasons as specified below:

Risks arising from a vehicle as collateral.

Depreciation in the value of the vehicle may result in losses on seizure and sale of the vehicle. Although our risk management system is data driven and follows strict internal risk management guidelines on portfolio monitoring, no assurance can be given that the value of the vehicle decreases significantly, our financial condition and results of operations would not be adversely affected. The impact on our financial position and results of operations due to our inability to recover the defaulted amount from the re-sale of the seized vehicle cannot be reasonably estimated. Additionally, we may not be able to realize the assessed or full value of our collateral, due to, among other things, condition of the confiscated vehicle and the lack of value of vehicle in the re-sale market. In the case of a default where we are unable to recover principal and interest payments from the customer, we confiscate the vehicle and sell the collateral to agencies who deal in used vehicles and there can be no assurance that we will be able to sell such vehicles at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with such process. A failure to recover the expected value of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations. We may also be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Failure by our employees to properly appraise the value of the collateral provides us with no recourse against the borrower and the loan sanction may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected. We may also encounter difficulties in repossessing and liquidating the collateral against our vehicle loan products.

Risks arising from Used Car Loans

There are various risks that arise out of lending for the purchase of a used car by the customer. Some of them include, valuation risks related to the vehicle which is a subjective exercise; damage due to accidents and wear & tear and condition of the used car; loss in the value of a particular brand of the vehicle affecting realisable value; change in regulatory norms viz. Bharat Stage Emission Standards (BS) and phasing out of diesel vehicles; migration of customers to areas that are difficult to access; devaluation of vehicle due to lack of demand of a particular model.

Risks arising from Small Business Loans

There are various risks that arise out of lending to small businesses. Some of these include, non-performance as per the historical financial data provided by the customer; migration from the place of business to another place of business; winding up of the business due losses and other factors; change in business by the customer which may not be as remunerative as the earlier business or having a higher gestation period; cash flow from the business not meeting projections that were provided by the customer at the time of sanction/disbursement; demand supply mismatch; diversion of business cash flows for family or personal usage or emergencies; and failure of business or services of the customer.

Risks arising from Personal Loans

There are various risks that arise out of lending for Personal Loans. Some of these include, non-performance as per the historical financial data provided by the customer; migration from the place of business to another place of business; winding up of the business due losses and other factors; change in business by the customer which may not be as remunerative as the earlier business or having a higher gestation period; cash flow from the business not meeting projections that were provided by the customer at the time of sanction/disbursement; demand supply mismatch; diversion of business cash flows for family or personal usage or emergencies; failure of business or services of the customer and lack of knowledge on the end use of money lent by us; and lack of knowledge of the borrowings of the customer outside the institutional ecosystems.

When a customer defaults under a secured financing facility, we typically repossess and then sell the collateral through an auction. However, we cannot assure you that we will be able to successfully repossess the collateral in the event of default under a loan agreement. We may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in repossessing collateral, as litigation against defaulting customers, even if governed by an arbitration clause, can be slow and expensive in India. Further, the collateral value of the asset is subject to the prevailing economic, political and social conditions in India. If the value of asset decreases significantly in value, it may result in losses which we may not be able to support. Moreover, we may also not be able to sell the collateral at a price sufficient to cover the amount owed under the financing facility, or at all. In the event of any inability or delay in the repossession and liquidation of the collateral securing loans in default, we may incur losses, which could adversely affect our business, results of operations and financial condition.

7. ***We have a huge concentration of loans to the salaried and self-employed and the risk of non-payment or default by our borrowers may adversely affect our business, results of operations and financial condition.***

We primarily serve the (i) salaried and (ii) self- employed. The following table sets forth the breakdown of our loan disbursed along with percentages during September 30, 2023, and Fiscals 2023, 2022 and 2021:

(₹ in lakhs except for percentages)

Particulars	**During September 30, 2023**		**During Fiscal**					
			2023		**2022**		**2021**	
	Amount of loan disbursed	**%**	**Amount of loan disbursed**	**%**	**Amount of loan disbursed**	**%**	**Amount of loan disbursed**	**%**
Salaried	10,783.63	44.85	21,308.83	49.94	14,761.38	50.80	14,902.95	55.69
Self-employed	13,182.28	54.82	21,254.85	49.81	14,244.45	49.02	11,822.86	44.18
Others	78.63	0.33	105.80	0.25	54.40	0.19	35.38	0.13
Total	**24,044.55**	**100.00**	**42,669.48**	**100.00**	**29,060.23**	**100.00**	**26,761.19**	**100.00**

Our customers may default in their repayment obligations due to various reasons including business failure, insolvency, lack of liquidity, loss of employment or personal emergencies such as the death of an income generating family member. We may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any misrepresentation by our customers or employees. It may therefore be difficult for us to carry out the necessary credit risk analysis on all of our customers. Although we follow certain surrogate procedures to evaluate the credit profiles of our customers at the time of sanctioning a loan, we also rely on the value of the property provided as underlying collateral and the expertise of our appraising officers. We cannot assure you that our surrogate procedures will be sufficient to evaluate the credit profiles of our customers. The insufficiency of surrogate procedures may result in credit losses, which may adversely affect our business, results of operations and financial condition. Further, certain individuals to whom we lend may be considered to be higher credit risk customers and less financially resilient due to their increased exposure to fluctuations in cash flows due to adverse economic conditions. In addition, a significant majority of our customer base belongs to the low to middle income group, who may be more likely to be affected by declining economic conditions. Any decline in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial condition. To the extent we are unable to successfully manage the risks associated with lending to individuals, it may become difficult for us to recover outstanding loan amounts provided to such customers. We cannot assure you that our risk management controls will be sufficient to prevent future losses on account of customer defaults, which may adversely affect our business, results of operations and financial condition.

8. *We are subject to inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India, if any, pursuant to the inspections could expose us to penalties and restrictions.*

We are subject to inspections by the RBI on our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems, pursuant to which the RBI issues observations, directions and monitorable action plans on issues related to, among other things, any operational risks and regulatory non-compliances. During the course of finalizing inspections, the RBI inspection team may share its findings and recommendations with us and provides us an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, than that observed by the RBI. Upon final determination by the RBI of the inspection results, we are required to take actions specified therein by the RBI to its satisfaction.

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

9. *We may be unable to maintain the quality of our loan portfolio or manage the growing loan portfolio which may result in significantly larger non-performing assets and provisions.*

Our ability to manage the credit quality of our loans, which we measure in part through non-performing assets ("**NPAs**"), is a key driver of our results of operations. Our total loan portfolio has grown in the last few years, and we anticipate that the size of our loan portfolio will continue to grow in the future as we pursue our expansion strategy. We classify NPAs in accordance with the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 and applicable Ind AS rules. Defaults by our customers for a period of 90 days or more result in such loans being classified as Stage 3 and NPA. The following table sets forth details of our NPA i.e. Stage 3 as a percentage of Gross Loan Book as of the dates indicated:

(₹ in lakhs except for percentages)

Particulars	For the six months period ended September 30, 2023		For Fiscal					
			2023		2022		2021	
	Amount of NPA	% of Gross Loan Book	Amount of NPA	% of Gross Loan Book	Amount of NPA	% of Gross Loan Book	Amount of NPA	% of Gross Loan Book
Gross Carrying Amount – Loans								
Stage 3	2,770.81	3.90	2,368.68	3.74	2,450.04	4.94	1,478.11	2.79
Net Carrying Amount – Loans								
Stage 3	2,244.36	3.16	1,989.69	3.14	2,131.53	4.30	1,256.51	2.37

We believe that the risk of delinquency in vehicle loans typically emerges from disbursement, subject to external factors. We cannot assure you that we will be able to maintain or reduce our current levels of NPAs in the future. As the number of our loans that become NPAs increase, the credit quality of our loan portfolio decreases. Further, as our loan portfolio grows, our NPAs may increase, and the current level of our provisions may not adequately cover any such increases. Negative trends or financial difficulties or general economic slowdown could unexpectedly increase delinquency rates. Further volatility is expected in Net Realizable value of investments made in security receipts. Our profitability will be impacted pursuant delayed recoveries of loans subject to such investment in security receipts. Any changes in NRV or actual realisation on redemption of such security receipts may affect our profitability and results of operations. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures or as a result of changes in the applicable regulations. For further details in relation to provisioning and bad debts written off, see "*Selected Statistical Information – Asset Quality – Provisioning and Write-offs*" on page 275.

10. ***A portion of our customers are first time borrowers which increases risks of non-payment or default for us.***

Credit penetration is lower in India compared to other countries - In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023. (*Source: CRISIL Report*)

Reflecting the growing importance of NBFCs in the financial services landscape and their ability to offer differentiated solutions to meet the requirement of target customers, the market share of NBFCs in overall systemic credit has increased from approximately 16% in Fiscal 2017 to approximately 18% in Fiscal 2023. (*Source: CRISIL Report*)

We have customers who are first-time borrowers from the formal secured lending ecosystem. The details of disbursement made by our Company to first time borrowers to our total disbursement for six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, is set out below:

(₹ in lakhs, except for percentages)

Particulars	For the six months period ended September 30, 2023		For Fiscal					
			2023		2022		2021	
	Amount of disbursement	% of total disbursement	Amount of disbursement	% of total disbursement	Amount of disbursement	% of total disbursement	Amount of disbursement	% of total disbursement
New to Credit	10,488.26	43.62	19,314.45	45.27	11,638.95	40.05	10,040.30	37.52

Such customers generally may have higher risk of non-payment or default due to a number of reasons such as not having the experience of payment of interest and repayment of principal, as well as other reasons applicable to our other customers such as business failure, insolvency, lack of liquidity, loss of employment or personal emergencies such as the death of an income-generating family member. To the extent we are unable to successfully manage the risks associated with lending to customers new to credit, it may become difficult for us to recover outstanding loan amounts (including interest) provided to such customers. We cannot assure you that our risk management controls will be sufficient to prevent future losses on account of customer defaults and hence increasing our Stage 3 Gross Term Loans and adversely affecting our business, results of operations and financial condition.

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

In making a decision whether to extend credit to prospective customers, we rely upon data received from our customers and third-party intermediaries to assess credit handling ability, debt servicing capacity, and overall risk level to determine lending exposure and loan pricing in accordance with our internal credit policies. The data we receive and rely upon includes data from the credit bureaus, our inhouse software Manba Finance Quadrant (MFQ) enabling independent validation from source, customer financials, observations from our front-end teams, feedback from credit and underwriting teams, and other sources of income and value of collateral. If the components or analytics are either unstable, biased, or missing key pieces of information, wrong decisions will be made which will negatively affect our financial results. If we are unable to properly assess the creditworthiness of our customers, including a failure to predict a customer's true credit risk profile and/or ability to repay their loan, we may need to record additional provision expense and/or experience higher than forecasted losses. Additionally, if any portion of the information pertaining to the prospective customer is false, inaccurate or incomplete, and we did not detect such falsities, inaccuracies or incompleteness, or any or all of the other components of our credit decision process fails, we may experience higher than forecasted losses. Furthermore, if we are unable to access the third-party data used in our decision structure, or our access to such data is limited, our ability to accurately evaluate potential customers will be compromised, and we may be unable to effectively predict probable credit losses inherent in our loan portfolio, which would negatively impact our results of operations, which could be material. If future performance of our customers' loans differs from past experience (driven by factors, including but not limited to, macroeconomic factors, policy actions by regulators, lending by other institutions and reliability of data used in the underwriting process), which experience has informed the development of the underwriting procedures employed by us, delinquency rates and losses from our customers' loans could increase, which could result in the principal of our debt securities or other borrowings being required to be paid down, and we may no longer be able to borrow from those debt facilities to fund future loans. This inability to borrow from our debt facilities could further hinder our growth and harm our financial performance.

12. ***We operate in a highly regulated industry and changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition and results of operations.***

We operate in a highly regulated industry, and we have to adhere to various laws, rules and regulations. Our Company has a certificate of registration from the RBI to operate as an NBFC-BL and is regulated by the RBI. Accordingly, legal and regulatory risks are inherent and substantial in our business. As we operate under licenses and registrations obtained from the applicable regulators, such as RBI and the Financial Intelligence Unit, India, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circulars, notifications and regulations issued by the relevant regulators. For a description of the material laws, rules and regulations applicable to us, see "*Key Regulations and Policies*" on page 222. Any failure or alleged failure to comply with the applicable laws, regulations or requirements could subject us to inspection, audit and enforcement actions by the relevant authority; suspension and revocation of the relevant license or approval; civil penalties including payment of damages to the aggrieved party; criminal penalties including payment of fines and imprisonment of concerned directors or employees; and mandatory conciliation and mediation with the aggrieved party. These actions or any failure to prevail in a possible civil or criminal litigation, may adversely affect our business, results of operations, financial condition, cash flows and reputation. In addition, responding to any action or litigation may result in a diversion of our management's attention and resources and an increase in professional fees and compliance costs. Our premises, books of accounts, documents and records are subject to inspection by the RBI under the relevant laws and regulations. Consequently, the RBI may identify instances of non-compliance and deficiencies in our operations and issue warning letters, show cause notices or penalties for violations. Non-convertible debentures issued by our Company are listed on the debt segment of BSE. For details of our NCDs, see "*Financial Indebtedness*" on page 352. As a debt listed company, our Company is subject to the continuous disclosure obligations under the SEBI Listing Regulations. This requires us various reportings to be furnished in prescribed timelines like: to publish our quarterly financial results for every quarter within 45 days from the completion of the previous quarter as well as submit a copy of the financial results to the debenture trustees on the same day the information is submitted to stock exchanges etc. Moreover, the laws and regulations governing our business continue to evolve and may be amended, supplemented or changed at any time. We are exposed to the risk of varying and evolving interpretation of complex laws and regulations governing our business in India. Certain of these laws and regulations governing our business are relatively new and evolving, and their interpretation and enforcement may involve uncertainties. As a result, we may be required to seek and follow additional procedures, modify or adjust certain activities, restructure our ownership structure, obtain new and additional licenses and incur additional expenses to comply with such laws and regulations, which could adversely affect our future development and business. The RBI has the power to, among other things, remove and replace a director or supersede the board of directors of NBFCs in public interest, remove or debar auditors, frame schemes for amalgamation, reconstruction or splitting of the NBFC into viable and non-viable businesses to preserve the continuity of the activities of the NBFCs.

13. ***The Small Business Loans segment in India is highly competitive and our inability to compete effectively could adversely affect our business and results of operations.***

Increasing competition with entry of new players and partnerships between them - More players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business, intensifying competition. For example, In June 2018, Amazon India launched a platform for lenders and sellers, wherein sellers can choose loan offers from various lenders at competitive rates. In August 2021, Meta (earlier known as Facebook) partnered with Indifi Technologies to provide loans to small businesses that advertise on its platform. Incumbent traditional lenders are expected to increasingly leverage the network of their partners and/or digital ecosystem to cross-sell products to existing customers, tap customers of other lenders, and cater to new-to-credit customers. This is expected to expand the market for MSME loans. (*Source: CRISIL Report*.)

NBFCs have managed to carve out a strong presence in small business loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. As of fiscal 2023, the cumulative market share of NBFCs in small business loans outstanding has increased from 21% in fiscal 2018 to 33% in fiscal 2023.Going forward, we expect the market share of NBFCs in this segment to continue to increase and touch 38% by fiscal 2026. (*Source: CRISIL Report.*)

In the Small Business Loans segment, we also compete with unorganized money lenders, friends and family members, certain larger NBFCs, as well as certain microfinance entities and small finance banks, in geographies in which we operate. Consistent with developments over the years, we may also see the entrance of new competitors. Our competitors may have more resources, a wider branch and distribution network, access to cheaper capital, superior technology and may have a better understanding of and relationships with customers in these markets. This may make it easier for competitors to expand and to achieve economies of scale to a greater extent. In addition, our competitors may be able to rely on the reach of affiliated group companies or other banks. Competition in our industry also depends on, among other things, the evolution of government policies relating to the industry (including interest rate deregulation and other liberalization measures), the entry of new participants, and the extent to which there is a consolidation among banks and financial institutions in India and we expect competition to intensify in the future. See "*Our Business – Description of our Business – Competition*" on page 220. Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital and charge optimum interest rates at which we lend to our customers. Consequently, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the interest rates on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive small business finance industry. If we are unable to compete effectively, our business and results of operations may be adversely affected.

14. ***Our lack of success in expanding our business into new regions and markets in India could adversely affect our business, results of operations, financial condition and cash flows.***

Credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as at March 31, 2018 to 62% as at June 30, 2023. Between the same period, credit share has witnessed a marginal rise in rural and urban areas. For semi-urban areas, credit share has gone up from 12% as of March 31, 2018, to 13% as of June 30, 2023. As of March 31, 2023, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers will also help the financiers to assess customers and cater to the informal sections of the society in these regions. (*Source: CRISIL Report*.)

The Indian financial system includes banks and non-banking financial companies (NBFCs). Though the banking system dominates financial services, NBFCs have grown in importance by carving a niche for themselves by catering to customers in underbanked regions or those who would not be catered to by traditional financial institutions, due to absence of credit history or lack of proper collateral records. (*Source: CRISIL Report*.)

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

15. ***We are affected by volatility in interest rates in our treasury operations, which could cause our net interest income and net interest margin to vary and consequently affect our profitability.***

Our results of operations depend substantially on the level of our net interest income, which is the difference between our interest income (mainly comprising interest income on loan portfolio, assigned portfolio, and interest income on investments and on deposits with banks) and our finance costs. Any change in interest rates would affect our interest expense on our floating interest-bearing liabilities as well as our net interest income and net interest margins. The following table sets forth our net interest income margins s for the periods indicated:

(₹ in lakhs, except for percentages)

Particulars	**For six months period ended September 30, 2023**		**For Fiscals**					
			2023		**2022**		**2021**	
	Amount	**% of interest income**	**Amount**	**% of interest income**	**Amount**	**% of interest income**	**Amount**	**% of interest income**
Net Interest Income Margins	3,865.50	52.22	6,954.22	55.65	4,758.84	50.64	4,598.66	47.58

The following table sets forth our floating interest-bearing liabilities for the periods indicated:

(₹ in lakhs, except for percentages)

Particulars	**For six months period ended September 30, 2023**		**For Fiscals**					
			2023		**2022**		**2021**	
	Amount	**% of total borrowing**	**Amount**	**% of total borrowing**	**Amount**	**% of total borrowing**	**Amount**	**% of total borrowing**
Floating interest-bearing liabilities	25,514.36	39.08	26,623.71	44.54	22,679.75	57.36	27,203.26	67.09

Interest rates could be affected by a variety of factors, including, access to capital based on our business performance, the volume of loans we make to our customers, competition and regulatory requirements, as well as those beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, interest rates prevalent in major economies like USA, Europe, Japan and China and other factors, which have historically resulted in changes in interest rates in India. Such interest rates may also be affected by a change over time in the mix of the types of loans we provide to our customers, the mix of new and renewal loans and a shift among our channels of customer acquisition. According to the CRISIL Report, lower commodity prices, base effect, and cooling off domestic demand is likely to help in moderating inflation in Fiscal 2024. This may in turn affect interest rates. In a declining interest rate environment, if our cost of borrowings does not decline simultaneously or to the same extent as the yield on our interest-earning assets or if there is any increase in our cost of borrowings, it could lead to a reduction in our net interest income and net interest margin. It may also require us to increase interest rates on loans disbursed to customers in the future to maintain our net interest margin, thus affecting our financial results and operating performance. We may be unable to pass on the increase in our costs of borrowings to customers, immediately or at all. Some of our customers may prepay their loans to take advantage of a declining interest rate environment. In addition, an increase in interest rates could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources, and the resultant decrease in assets may ultimately have an adverse impact on our asset-liability position. Even if such customers do not prepay their loans, an increase in interest rates may lead to an increase in defaults if our customers are unable to keep up with the increase, thereby adversely affecting our business and financial condition. If there is an increase in the interest rates, we pay on our borrowings, that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost funds or lower cost deposits. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than our competitors that may borrow only at fixed interest rates. An increase in general interest rates in the economy could also reduce the overall demand for retail loans and impact our growth. Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our investments. While we take steps to minimize the risk of interest rate volatility, we currently do not enter into any specific interest rate hedging instruments to protect against interest rate volatility. Further, any interest rate hedging we enter into may not be effective.

16. ***Our non-convertible debentures ("NCDs") are listed on BSE and we are subject to rules and regulations with respect to such listed NCDs. 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, results of operations, financial condition and cash flows. We have also issued unlisted NCDs to certain investors.***

We have issued unlisted and listed NCDs to certain investors. Our NCDs of ₹ 14,000 Lakhs are rated BBB+ by CARE Rating and A- by ACUITE Rating & Research. We are required to comply with various applicable rules and regulations, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, and applicable provisions of the SEBI Listing Regulations, in terms of our listed NCDs, and the listing agreement entered into therein. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of non-convertible securities by us and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows. Further, we cannot predict if and to what extent a secondary market may develop for the NCDs or at what price the non-convertible debentures will trade in the secondary market or whether such market will be liquid or illiquid.

17. ***Any deterioration in the performance of any pool of receivables securitized and assigned to banks may adversely impact our financial performance.***

We securitize and assign a portion of our receivables from our loan portfolio to banks and other financial institutions. Such securitization transactions and direct assignment transactions are undertaken by us on the basis of our internal estimates of funding requirements and may vary from time to time. The following table sets forth details pertaining to our securitized assets and loans from PTC transactions along with percentages:

(₹ in lakhs, except for percentages)

Particulars	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Securitized Assets	17,464.02	15,169.13	4,934.54	3,483.75
Loans from PTC transactions	15,044.25	12,878.83	3,947.52	2,889.27
Loans from PTC transactions/ Securitized Assets (in %)	86.14%	84.90%	80.00%	82.94%

We are also required to provide certain credit enhancements, such as cash collateral, fixed deposit, excess interest spread, overcollateralization, in connection with our securitized receivables. Further, in the event the bank or financial institution does not realize the receivables due under loans that have been assigned, the relevant bank or institution can enforce the underlying credit enhancements provided by our Company. Should such banks or any other financial institutions seek to enforce the underlying credit enhancements such as fixed deposits, which are provided up to a specified percentage of the underlying loans, it could have an adverse effect on our financial condition and results of operations. This could also adversely impact our reputation and the willingness of future potential bidders to participate in subsequent assignments by our Company. Further, any change in RBI or other government regulations in relation to assignments/securitizations by NBFCs could have an adverse impact on our assignment/securitization program.

18. *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 and financial condition.*

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Any downgrade in our credit ratings could increase borrowing costs, result in an event of default under certain of our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. For further details in relation to our borrowing costs, see "*Selected Statistical Information – Average cost of borrowing*" on page 279. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future, impair our future issuances of debt and equity, and our ability to raise new capital on a competitive basis and adversely affect our business, results of operations and financial condition. Further, as rating agencies continue to evaluate the financial services industry, it is possible that rating agencies will heighten the level of scrutiny that they apply to financial institutions or NBFCs in particular, increase the frequency and scope of their credit reviews, request additional information from companies that they rate, and potentially adjust their requirements employed in the rating agency models for maintenance of certain rating levels. It is possible that the outcome of any such review of us could adversely impact our ratings. We have received the following credit rating in respect of our credit rating facilities during last three fiscals 2023, 2022 and 2021:

Rating Agency	Instrument	Present as on date of DRHP	Fiscal 2023	Fiscal 2022	Fiscal 2021
Care Rating	Bank Loan Facilities – Cash Credit	BBB+/ Stable	BBB+/ Stable	BBB+/ Negative	BBB+/ Negative
	Bank Loan Facilities – Term Loan	BBB+/ Stable	BBB+/ Stable	BBB+/ Negative	BBB+/ Negative
	NCD	BBB+/ Stable	BBB+/ Stable	BBB+/ Negative	BBB+/ Negative
	Commercial Papers*	-	-	-	A2
Acuite	Bank Loan Ratings	A-/ Stable	A-/ Negative	A-/ Negative	A-/ Stable
	Bank Loan Ratings (Credit Enhancement)	A/ CE/ Stable	A/ CE/ Negative	A/ CE/ Stable	-
	NCD	A-/ Stable	A-/ Negative	-	-
Crisil	PTC	A+	A+	A+	A+
	Non-Convertible Debentures	-	IND A2	-	-

Rating Agency	Instrument	Present as on date of DRHP	Fiscal 2023	Fiscal 2022	Fiscal 2021
India Rating Research	Commercial Papers*	IND A2	IND A2	IND A2	-
Brickwork	Term Loan Facility with Partial Credit Enhancement (PCE)	-	-	-	A/ Stable
	NCD	-	BBB+/ Negative	BBB+/ Stable	BBB+ /Stable
	Commercial Papers*	-	-	A2	-

**As on date of this DRHP, there are no outstanding Commercial Papers issued by our Company.*

There has been no downgrade in our credit ratings in the three (3) preceding Fiscals. The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, industry position, and ability to meet our obligations. Any issues impacting our business performance or the industry in which we operate as a whole may result in a downgrade of our credit ratings, which may constrain our access to capital and debt markets and, as a result, may adversely affect our cost of borrowings and our results of operations. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future.

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

The Asset and liability mismatch, which represents a situation when the financial terms of an institution's assets and liabilities do not match, is a key financial parameter for us. We set out below, our Asset and Liability Management (ALM) as of six months period ended September 30, 2023 and Fiscal 2023:

(₹ in lakhs)

Particulars	As of September 30, 2023			As of Fiscal 2023		
	Liabilities(1)	Assets(2)	Gap	Liabilities	Assets	Gap
Up to 1 year	41,571.36	56,890.77	15,319.41	39,535.15	51,622.12	12,086.97
Over 1 year and up to 3 years	25,824.63	27,010.60	1,185.97	20,962.40	22,410.63	1,448.23
Over 3 years and up to 5 years	-	-	-	1,384.20	3,046.00	1,661.80
Over 5 years	18,535.00(3)	2,029.62	(16,505.38)	16,843.00	1,646.00	(15,197.00)

Notes:

(1) Liabilities represent Total Financial Liabilities, Total Non-Financial Liabilities and Total Equity.

(2) Assets represents Total Financial Assets, Total Non-Financial Assets and Undrawn Committed Credit Lines.

(3) Includes Net Owned Funds.

Our Company is in favourable position to meet our short-term and long-term debt obligations and other liabilities as of September 30, 2023. We had positive ALM for the periods up to 1 year, over 1 year & up to 3 years and over 3 years & up to 5 years. We carefully monitor our obligations against our asset position and categorize them on the basis of the number of years in which they mature. We meet a significant portion of our financing requirements through long term and short-term borrowings from banks, issuance of debt securities (such as non-convertible debentures) and through securitization and direct assignment of loans. However, we may face potential liquidity risks in the event of substantial increase in our short-term liabilities over our liquid assets. For further details in relation to liquidity risks, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Analysis of Market Risks – Liquidity Risk*" on page 378. 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 and results of operations.

20. ***Our operations are concentrated in five states in western, central and north India and any adverse developments in these regions could have an adverse effect on our business and results of operations.***

We conduct our operations out of 65 Locations connected to 28 branches in the states of Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh. The details state-wise AUM to our total AUM disbursement during six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, is set out below:

(₹ in lakhs, except for percentages)

States	**As and for six months ended September 30, 2023**		**As of and for Fiscal**					
			2023		**2022**		**2021**	
	Amount of AUM	**% of total AUM**	**Amount of AUM**	**% of total AUM**	**Amount of AUM**	**% of total AUM**	**Amount of AUM**	**% of total AUM**
	(₹ in lakhs, except percentages)							
Chhattisgarh	2,020.27	2.85%	958.63	1.51%	-	0.00%	-	-
Gujarat	20,610.52	29.05%	16,860.59	26.61%	9,686.82	19.54%	5,098.15	9.62%
Maharashtra	45,359.26	63.92%	43,664.91	68.91%	38,924.66	78.50%	47,275.13	89.18%
Madhya Pradesh	25.67	0.04%	-	-	-	-	-	-
Rajasthan	2,943.52	4.15%	1,884.76	2.97%	971.14	1.96%	638.48	1.20%
Total	**70,959.23**	**100.00%**	**63,368.90**	**100.00%**	**49,582.62**	**100.00%**	**53,011.76**	**100.00%**

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

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

As of December 31, 2023, our total outstanding borrowings were ₹ 74,788.58 lakhs. 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 customers. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. One of our lenders, in the normal course of business has a right to nominate directors on our Board under the lending arrangement. We are required to obtain prior approval from certain of our lenders, as well as send prior intimation to certain of our lenders for, among other things, (a) prepayment of the outstanding principal amounts of the facilities availed by our Company; (b) any amalgamation, demerger, merger, acquisition, corporate or debt restructuring; (c) undertake any project, implementation of any scheme of expansion/ diversification or capital expenditure or acquisition of fixed assets (except normal replacements indicated in in fund flow statement submitted to and approved by lender) if such investment result into breach of financial covenants or diversion of working capital to financing of long term assets; (d) invest by way of share capital or lend/ advance funds or place deposits with any other entity; (e) entering any secured/ unsecured borrowing arrangement with any other bank or financial institution or company or accept deposits which increases our borrowing above limits stipulated by our lenders; (f) undertake any guarantee obligation on behalf of any other company; (g) enter into any contractual obligation which will be detrimental to interest of lenders; (h) any change in the constitution or remuneration of management, control, ownership, shareholding pattern, capital structure and/or management of our Company; (i) sell, assign, mortgage, or otherwise dispose off any of the fixed assets charged to the lender; (j) declaration or payment of dividend; (k) any amendments to the constitutional documents of our Company; and (l) winding up, liquidation or dissolution of business of our Company or take any steps for the same.

We have applied to our lenders and we have received consents from all of the lenders (except for Bank of Baroda and State Bank of India) in relation to this Issue. We cannot assure you that such consents will be granted in the future or at all. Under these agreements, certain lenders also require us to maintain certain financial ratios such as asset coverage ratio and security cover ratio. Our failure to meet our obligations under our financing agreements could have an adverse effect on our business, results of operations 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. For further details of our outstanding borrowings, see "*Financial Indebtedness*" on page 352. Our future borrowings may also contain similar restrictive provisions. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

22. ***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.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. For further details in relation to our risk management framework, see "*Our Business – Description of our Business and Operations – Risk Management Framework*" on page 218.

Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. During last three Fiscals, there has not been no instances of operational risks arising from the potential inadequacy or failure of internal processes or systems. Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weakness. Failures or material errors in our internal systems may lead to pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. During last three Fiscals, there has not been no instances of failures or material errors in our internal systems or failure of internal processes or systems. Adverse publicity arising from disclosure of fraud may also have an adverse impact in our customers' confidence in our security measures. During last three Fiscals, there has been no instances of fraud. We cannot assure you that that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our business, profitability and reputation.

23. ***We receive a small portion of our aggregate recoveries in cash from certain dispersed locations. We may be exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.***

Our business at times involves recovering principle and interest in cash transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary, and misappropriation or unauthorized transactions by our employees. The details in relation to our recoveries in cash to our total amount of recovery during six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, is set out below:

(₹ in lakhs, except for percentages)

Particulars	For the six months period ended September 30, 2023		For Fiscal					
			2023		2022		2021	
	Amount	% of total amount of recovery	Amount	% of total amount of recovery	Amount	% of total amount of recovery	Amount	% of total amount of recovery
Cash Collections	2,189.59	9.10	5,239.83	12.16	6,326.23	16.42	5,299.08	15.89
Total	**24,071.03**	**100.00**	**43,092.51**	**100.00**	**38,525.38**	**100.00**	**33,343.32**	**100.00**

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

24. ***We participate in markets that are competitive with continuously evolving customer needs, and if we do not compete effectively with established companies and new market entrants, our business, results of operations, cash flows and financial condition could be adversely affected.***

The industry has witnessed strong competition with new players in the form of new NBFCs entering the market, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros and rural markets. Finance penetration is estimated to have increased to around 58% in fiscal 2023 from 47% from fiscal 2018 due to increasing options available to customers. CRISIL MI&A project finance penetration to further increase, and cross 60% over the next four years. *(Source: CRISIL report)*

Indian NBFC sector in India in recent time has emerged as one of the leading forms in institution in providing credit to underserved and unorganized segment population of the country. Over the past few years, there has been a war between banks and non-banks for taking the lions share in the overall credit outstanding in the country. While Banks have been dominating segments such as Housing Finance, MSME Loans; NBFC players have been leading the credit share in segments such as gold finance, Vehicle finance & Micro finance loans. Non-banking player competitive strengths in form of higher rural penetration, customer centric product design etc. has helped them strengthen their share in the overall credit landscape. *(Source: CRISIL report)*

Increasing competition with entry of new players and partnerships between them - More players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business, intensifying competition. For example, In June 2018, Amazon India launched a platform for lenders and sellers, wherein sellers can choose loan offers from various lenders at competitive rates. In August 2021, Meta (earlier known as Facebook) partnered with Indifi Technologies to provide loans to small businesses that advertise on its platform. Incumbent traditional lenders are expected to increasingly leverage the network of their partners and/or digital ecosystem to cross-sell products to existing customers, tap customers of other lenders, and cater to new-to-credit customers. This is expected to expand the market for MSME loans. *(Source: CRISIL report)*

Our continued success will depend, in part, on our ability to respond to changing customer needs and emerging industry standards and practices on a cost-effective and timely basis. Our competitors include established Indian commercial banks, NBFCs, small finance banks, lending platforms, e-commerce companies and payment service providers and the private unorganized and informal financiers who principally operate in the local market. More players in consumer-facing businesses with a repository of data are entering the lending business, intensifying competition. Our lending activity is not completely online and necessarily involves carrying out certain physical steps, such as physical verification and in-person visits.

Furthermore, our cost of borrowings as a NBFC may be higher than some of our competitors, including banks and lenders which are better rated. As a result, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding, and in implementing new technologies and rationalizing related operational costs. In relation to our MSME focused business, while we believe that commercial banks, as well as regional rural and cooperative banks, have generally not directly targeted this segment for new customers, some banks do participate in this segment using different strategies. Further, most small finance banks operations are focused on low-income and middle-income individuals and MSMEs. Further, some commercial banks are also beginning to directly compete for lower income segment customers in certain geographies, including through the business correspondent operating model. We face competition from these new and established players in our MSME focused businesses. Any such increased competition from other players could lead to lending rates offered by our competitors in the segments we operate in to be unviable for us or not profitable for us to provide, given our cost of borrowings. Additionally, we are subject to the potential increase in competition brought about by changes in the laws and regulations governing our business and those adjacent to ours. In particular, there are opportunities for regulatory arbitrage by commercial banks and NBFCs, given that we operate in a highly regulated industry. Any changes in the relevant laws or regulations by the RBI to correct, clarify or amend such regulatory subject matters may result in the diminishment of the available opportunities for regulatory arbitrage. We cannot assure you that changes in the relevant laws and regulations in the future may not result in an increase in competition from other players and impact the way we conduct our business in respect of, among others, branch opening licensing requirements, prudential norms for various loan products and monthly interest servicing. Liberalization of the Indian financial services sector could also lead to a greater presence or new entries of Indian and foreign commercial banks, NBFCs and other entities operating in the financial services sector offering a wider range of products and services. This could adversely affect our competitive environment. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive New Vehicle Loans, Used Car Loans, Small Business Loans, and Personal Loans business. Increasing competition may also result in slower growth and a reduction in our net interest margin and market share, and consequently may have an adverse effect on our results of operations and financial condition. Further, due to competitive pressures, we may be unable to successfully execute our growth strategy and offer products and services profitably or at reasonable returns and this may adversely affect our business, financial condition, results of operations and cash flows.

25. ***Our financial performance may be materially and adversely affected by our inability to respond promptly and effectively to new technological innovations.***

Our ability to respond to technological advances on a cost-effective and timely basis may have an impact on our financial performance. Technological innovation such as digital wallets, mobile operator banking, advancements in blockchain technology and artificial intelligence, payment banks, internet banking through smart phones, could disrupt the financial services industry and increase competition as a whole. For our New Vehicle Loans, Used Car Loans, Small Business Loans and Personal Loans products we need to complete certain steps that may not be capable of being digitized entirely. If we fail to adapt to such technological advances quickly and effectively it could affect the performance and features of our products and services and reduce our attractiveness to existing and potential customers hereby adversely affecting our business, financial condition, results of operations, and cash flows. Our competitors may also make more significant and effective investments in innovation, growth of their businesses and enhancing their customer reach and engagement and may outcompete us in any of these areas. They may also be able to obtain certain licenses that we may be unable to obtain in the future, which may hinder our ability to offer certain services or access certain pools of liquidity that are the subject of such licenses. Increased investments made or innovative services offered by our competitors may require us to divert significant managerial, financial and human resources in order to remain competitive, and ultimately may reduce our market share and negatively impact the revenues growth and profitability of our business.

26. ***We maintain a capital adequacy ratio ("CRAR") of not less than 15% of our Tier 1 capital of our aggregate risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items.***

We maintain a capital adequacy ratio ("**CRAR**") of not less than 15% of our Tier 1 capital of our aggregate risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items. As of September 30, 2023, our CRAR was 26.62%. As we continue to grow our loan portfolio and asset base, we will be required to raise additional capital in order to maintain our capital adequacy ratios. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business. Our failure to maintain minimum capital adequacy requirements in future, may result in issuance of directions by the RBI which may affect our business, financial condition and results of operations.

27. ***We have experienced negative cash flows from operating activities in Fiscals 2023, 2022 and 2021 and may continue to do so in the future and the same may adversely affect our cash flow requirements, which in turn may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

We have experienced negative net cash flows from operating activities in Fiscals 2023, 2022 and 2021 and may continue to experience such negative cash flows in the future. The following table sets forth information relating to our cash flows from operating activities on a restated basis for Fiscals 2023, 2022 and 2021:

(₹ in lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash (used in)/ generated from operating activities	(12,402.57)	4,727.67	(707.22)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 287 and 355, respectively.

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

As part of our growth strategy, we continue to evaluate opportunities to expand our locations network in across regions in India where we have a presence and expand to adjacent geographies by evaluating areas with established credit culture. For further details in relation to our Branches and Locations, see "*Our Business*" on page 196, respectively. Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who may be more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers. As we plan to expand our geographic footprint, we may be exposed to additional challenges, including identifying and collaborating with local business partners with whom we may have no previous business relations, obtaining necessary governmental approvals, successfully marketing our brand and products in markets in which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being subject to additional local taxes; hire and retain new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations or the sub-optimal performance of our new Branches or Locations may adversely affect our business, financial condition, results of operations and cash flows.

29. ***Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons. Failure to train and motivate our employees may lead to an increase in our employee attrition rates and our results of operations could be adversely affected as a result of any disputes with our employees.***

We are dependent on our Board, Key Managerial Personnel, Senior Management and other personnel for our operations. The RBI also mandates NBFCs to have in place supervisory standards to ensure that directors have appropriate qualifications, technical expertise and a sound track record, and such requirements may make it more difficult for us to identify suitable replacement for our directors. Our success will depend in large part on our ability to identify, attract and retain skilled managerial and other personnel. We also face a continuing challenge to hire, assimilate, train and retain skilled personnel. Competition for management and other skilled personnel is intense, and we may not be able to attract and retain the managerial and other personnel we need in the future.

The table below sets forth the number of our Key Managerial Personnel and Senior Management and the attrition rates for Key Managerial Personnel, Senior Management during last three Fiscals:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of Key Managerial Personnel and Senior Management	14	14	14
Attrition rate (in %)	NIL	14%	7%

The loss of Key Managerial Personnel, Senior Management or other personnel or our inability to replace such employees may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have an adverse effect on our results of operations and financial position. Moreover, major disputes with employees, protracted remuneration negotiations, work stoppages and strike actions may impair our ability to carry on our day-to-day operations, which could adversely affect our results of operations. We have not faced any such material employee disputes, protracted remuneration negotiations, work stoppages or strike actions in the past.

30. ***We operate in a seasonal industry. In an economic downturn, we may not be able to grow our business or maintain levels of liquidity, loss minimization, and revenue growth to sustain our business and remain viable through the credit cycle.***

As per CRISIL Report, Two-wheelers sales to improve in Fiscal 2024 due to:

- Continued demand recovery post reopening of offices and educational institutions post pandemic
- Normalisation of economic activities
- Rural demand recovery due to normal monsoon and increased consumer spending
- Robust festive season demand
- Multiple models launches in EV by leading OEMs
- Softening inflation
- Incomes catching up with price hikes and inflation

Going forward, CRISIL MI&A expects India's gross domestic product (GDP) growth to decelerate to 6.4% in Fiscal 2024 from 7.2% in Fiscal 2023 due to a global slowdown, monetary policy impact and volatile geopolitical scenario. (*Source: CRISIL Report.*)

We have historically experience seasonal fluctuations in our sales, with higher sales volumes associated with the festive sale period in the third quarter of each Fiscal, which encompasses holidays such as Diwali and Christmas. We expect to continue to experience seasonal trends in our business, making results of operations variable from quarter to quarter. This variability can make it difficult to predict sales and can result in fluctuations in our revenue or profitability between periods. Any failure by the Dealers to stock or restock popular vehicles in sufficient quantity to meet consumer demand during periods of seasonal or peak demand, could adversely affect costumer experience and our results of operations. In addition, during times of increased seasonal or peak demand, it is possible that too many consumers may attempt to access our services within a short period of time, which may cause us to experience system interruptions that result in our systems temporarily being unavailable or prevent us from efficiently fulfilling lending commitments in time. In addition, we may be unable to adequately staff our credit and risk teams, including our customer service centers during these peak periods, which may impact our ability to satisfy seasonal or peak demand.

31. ***Our Statutory Auditor has included an emphasis of matter in our Restated Financial Statements.***

The report issued by our Statutory Auditor for Restated Financial Information for Fiscals 2023, 2022 and 2021 contains the emphasis of matter paragraph.

For the Fiscal 2023:

"We draw attention to Note 2.1 to the Special Purpose Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Ind AS Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus (the "DRHP") and the Prospectus (collectively, the "Offer Documents") in connection with the proposed initial public offering of the Company. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The Special Purpose Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Financial Information and is not to be used, referred to or distributed for any other purpose without our prior written consent. Our opinion is not modified in respect of this matter."

For the Fiscal 2022:

"We draw attention to note no. 43 (B) (i) and note no. 47 to the standalone financial statements in which the company describes the continuing uncertainties arising from COVID-19 pandemic. Our opinion is not modified in respect of this matter."

For the Fiscal 2021:

"We draw attention to Note 13 to the financial statements, which describes the uncertainties arising from COVID-19 pandemic and impacting the company's operations and estimates related to recovery of loans, which are dependent on future developments regarding the severity and duration of the pandemic."

There is no assurance that our audit reports for any future financial years will not contain any qualification or emphasis of matter or observations which affect our results of operations in such future periods. For further details, see, "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 287 and 355, respectively.

32. *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 use a Customer Relationship Management (CRM) platform for business operations with almost all functions on the cloud. We have an arrangement with a TU CIBIL service provider for providing access to its database, to get information regarding the credit rating of customers and service provider for KYC and bank account verification. We have installed the marketing automation tool from Salesforce which enables lead-based marketing of our products. In addition to systems like E-NACH and AADHAR enabled e-sign used for auto-debit of customers bank accounts, we also use Power BI for better data monitoring/intelligence, in-house developed LMS (Loan Management System) for data monitoring and LAS (Loan Accounting System) that enables us to check profitability at the Branch level. We use IT service management software for supporting our customer service. We have also integrated our payment systems with all the leading payment gateways provided by Razorpay Software Private Limited, virtual bank payment facilities and such other services. We are also availing services from Karix Mobile Private Limited, one of the mobile engagement and communications provider for SMS solutions for day-to-day customer service. For further details in relation to our information technology systems, see "*Our Business – Information Technology*" on page 219.

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 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 three preceding Fiscals, 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 artificial intelligence, business analytics, digital lending solutions, mobile banking and access to lender aggregators quickly and effectively, it could affect the performance and feature 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.

33. ***Our Promoters have subscribed to, and purchased, Equity Shares, at a price which could be below the Issue Price. The average cost of acquisition of Equity Shares by our Promoters could also be lower than the Issue Price***

We have issued Equity Shares to our Promoters, and our Promoters have acquired Equity Shares by way of transfers, at a price which could be below the Issue Price. For more details see "*Capital Structure*" on page 84.

The average cost of acquisition of Equity Shares by our Promoters is set out below:

Name of shareholder	Number of Equity Shares held	Average cost of Acquisition per Equity Share (in ₹)*
Manish Kiritkumar Shah	65,59,848	15.25
Nikita Manish Shah	50,04,270	13.86
Monil Manish Shah	17,94,549	27.87
Manba Investments and Securities Private Limited	1,39,06,038	13.24
Manba Fincorp Private Limited	20,87,706	24.25
Avalon Advisory and Consultant Services Private Limited	24,95,700	19.44
Manba Infotech LLP	36,01,053	31.63
Manish Kiritkumar Shah (HUF)	22,14,846	29.49

**As certified by Venus Shah & Associates, Chartered Accountants pursuant to their certificate dated March 6, 2024.*

The aforementioned average cost of acquisition of Equity Shares by our Promoters may be lower than the Issue Price.

34. ***There are outstanding legal proceedings involving our Company, Promoters and Directors which may adversely affect our business, financial condition and results of operations***

There are proceedings pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management's time, attention and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings involving our Company, Directors or Promoters, as disclosed in this Draft Red Herring Prospectus, to the extent quantifiable, have been set out below:

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved (₹ in lakhs)*
1.	**Company**						
	By the Company	4	Nil	Nil	Nil	Nil	57.64
	Against the Company	Nil	10	Nil	Nil	2	294.13
2.	**Directors (Other than Promoters)**						
	By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
3.	**Promoters**						
	By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Promoter	Nil	8	Nil	Nil	Nil	111.18

**To the extent quantifiable*

Orders passed in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please see "*Outstanding Litigation and Material Developments*" on page 382.

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

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. We have various policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our KYC, customer acceptance, risk management, investment, resource planning, fit and proper criteria, corporate governance, information and technology, credit appraisal and loan sanction, demanding/calling of loans, exposure to a single party/single group of parties, outsourcing, resolution of stressed assets, interest rate, fair practices code, vigil mechanism, and anti-money laundering policy. Our Board of Directors, the Risk Management Committee and the asset liability committee of our Company review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. However, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management processes may not be automated and subject to human error. Some of our methods of managing risks are based on the use of observed historical market 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 customers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. Management of operational, legal or regulatory risks requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. For further details in relation to inspection by RBI pertaining to risk management, see "*Risk Factors – We are subject to inspection by the Reserve Bank of India. Non-compliance with the observations of the Reserve Bank of India, if any, during inspections could adversely affect our business, financial condition, results of operations and cash flows.*" on page 39. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. If we fail to effectively implement our risk management policies, it could have an adverse effect on our business, results of operations and financial condition.

36. ***Our Company has in the past entered into related party transactions with our Promoters and Promoter Group members and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.***

Our Company has entered into related party transactions with our Promoters and Promoter Group members in the past. While our Company believes that all such transactions have been conducted on an arm's length basis and are accounted as per Ind AS 24 are in compliance with the provisions of the Companies Act, 2013 and other applicable laws however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, see "*Restated Financial Statements – Note 39 - Related Party Disclosures*" beginning on page 287.

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

We utilize the services of third parties from time to time in various aspects of our operations such as field investigation, valuation of asset and recovery services. However, our arrangements with third parties are on a non-exclusive basis and they may work for our competitors in the future, which may adversely affect our ability to increase our customer base. We also engage with agencies in the regions in which we operate for services such as verification, valuation and collection. Our reliance on third parties may prevent us from being able to resolve operational problems internally or on a timely basis, which could lead to customer dissatisfaction or long-term disruption of our operations. Our operations also depend upon our third-party service providers to communicate appropriately and provide quality service which is satisfactory to our customers. We may also need to replace a third-party service provider if it experiences difficulties that interrupt or disrupt operations for a prolonged period of time or if an essential third-party service terminates. If these service arrangements are terminated for any reason without an immediately available substitute arrangement, our operations may be severely interrupted or delayed. If such interruption or delay were to continue for a substantial period of time, our business, prospects, financial condition and results of operations could be adversely affected. We also cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party service providers or do so at the prevailing costs. Any disruption, negligence, fraud or inefficiency in the services provided by our third-party service providers, or an increase in costs which we may not be able to pass on to our customers, whether entirely or in part, could adversely affect our business, financial result and reputation.

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

While deciding whether to extend credit to customers, we rely, to a significant extent, on the information furnished to us by the customers for certain key elements of the credit assessment process, including their income, assets, financial transactions and credit history. We follow the Know Your Customer ("**KYC**") guidelines prescribed by RBI for potential customers, verify their place of employment and residence, as applicable. We may also rely on certain representations from customers as to the accuracy and completeness of that information. We also rely on independent valuers in relation to the value of the collateral with respect to our Used Card Loans. Our reliance on any erroneous or misleading information may affect our judgement of credit worthiness of potential customers, and the value of and title to the collateral. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business, results of operations and financial condition. Further, first time borrowers may not have credit histories supported by tax returns and other documents that would enable us to accurately assess their creditworthiness. We may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. Moreover, the availability of accurate and comprehensive credit information on retail customers in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we conduct credit checks of all our customers, including with credit bureaus, conduct site-visits and personal discussions, we cannot assure you that such credit information will be accurate or comprehensive. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our NPAs, which could adversely affect our business and results of operations.

39. ***Our Company was incorporated in the year 1996 and certain documents filed by us with the RoC are not traceable. While we have conducted a search with RoC, in respect of the availability of certain forms and other records, we cannot assure you that these forms or records will be available at all or any time in the future.***

The secretarial records for certain past allotments of Equity Shares made by our Company and share transfer forms could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC, despite conducting internal searches and engaging an independent practising company secretary to conduct online search at the MCA Portal maintained by the Ministry of Corporate Affairs and physical search of RoC. These allotments include allotment of (i) 2,65,330 equity shares of ₹ 10 on July 1, 1996; (ii) 4,86,567 equity shares issued as bonus shares on October 31, 2002; and (iii) 4,69,125 equity shares of ₹ 40 on December 31, 2002 for which the relevant forms were not traceable.

While information in relation to the allotments and share transfers have been disclosed in the section "*Capital Structure*" on page 84, in this Draft Red Herring Prospectus, based on annual reports of our Company, annual returns, board resolutions and statutory registers of our Company, as available and based upon the allotment details provided in the search report prepared by M/s. Ronak Jhuthawat & Co., Independent Practising Company Secretary, and certified by their certificate dated March 5, 2024, we may not be able to furnish any further information, other than what is already disclosed in "*Capital Structure*" on page 84, or assure that the other records will be available in the future.

40. ***We may be exposed to risks that may arise if our Small Business Loan customers opt for balance transfer to other banks or financial institutions.***

We mainly offer Small Business Loans to our customers at a fixed interest rate, which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all NBFCs are prohibited from charging pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, thereby leading to a high incidence of balance transfer, and a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. Some of our customers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives which could have an adverse effect on our business, results of operations and financial condition.

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

The Net Proceeds of the Issue will be utilized to augment capital base (Tier I) of our Company to meet our future capital requirements which are expected to arise out of growth of our business. For details, see "*Objects of the Issue*" on 106. The funding requirements mentioned as a part of the Objects of the Issue are based on internal management estimates in view of past funding requirements and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, any plan to fund our products could be delayed technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

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

Numerous domestic and international laws and regulations address privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement. Additionally, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts or regulators. Changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could greatly increase the cost of our operations, require changes to our operations, or even prevent us from providing our platforms in jurisdictions in which we currently operate and in which we may operate in the future. As part of our operations, we are required to comply with the Information Technology Act, 2000 and the rules thereof, each as amended which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable security practices and procedures or information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information. Additionally, Digital Personal Data Protection Act, 2023 ("**DPDP Act**"), provides for a framework for protection of personal data and use of non-personal data and seeks to, among others, lay down norms for transfer of personal data outside India, define the scope of the definition of personal data, establish a data protection board of India and data protection officers and further seeks to ensure the accountability of entities processing personal data. Upon notification of the DPDP Rules, we may be required to undertake additional compliance obligations and may also require us to modify our existing systems or invest in new technologies to ensure compliance pursuant to the new legislation and rules, when announced, which may require us to incur additional expenses and adversely affect our financial condition. Any failure to comply with applicable data protection regulations could subject us to significant penalties and negative publicity, which could have a material adverse effect on our business, financial condition, reputation before our customers and providers, and results of operations.

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

Intellectual property and other proprietary rights are important to the success of our business. Our ability to compete effectively is dependent in part upon our ability to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights and to obtain licenses to use the intellectual property and proprietary rights of others, as may be required. We rely on trademarks to protect our intellectual property and other proprietary rights. For details, see "*Our Business – Intellectual Property*" and "*Government and Other Approvals*" on pages 221 and 386, respectively. Nonetheless, the steps we take to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights may be inadequate. We cannot assure that any future trademark, or service mark registrations will be issued for our pending or future applications or that any of our current or future copyrights, trademarks, or service marks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property or other proprietary rights, or provide us with any competitive advantage.

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

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

In accordance with the requirements applicable to our Company, we are mandated to comply with anti-money laundering (AML), combating-terrorism financing (CTF) and KYC regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CTF and KYC policies and procedures. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. There may be instances where the information collected by us may be used by other parties in attempts to engage in money-laundering, terrorism financing and other illegal or improper activities. There can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report to, including the Financial Intelligence Unit - India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering, terrorism financing or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements. The Master Direction - Know Your Customer (KYC) Direction, 2016 ("**KYC Directions**") issued by the RBI states that regulated entities (which, among other things, includes scheduled commercial banks, all India financial institutions, all payment system providers and NBFCs) may obtain, for undertaking customer due diligence procedure, the Aadhaar number of a customer where such customer: (a) is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016; or (b) decides to submit such Aadhar number voluntarily. In cases where the customer submits their Aadhaar number to the NBFC, the KYC Directions require the NBFCs to carry out authentication of the customer's Aadhaar number using e-KYC authentication facility provided by the Unique Identification Authority of India. Further, where such authentication of Aadhaar details is not required, the NBFCs are required to ensure that such customer redacts or blacks out their Aadhaar number through appropriate means. Any failure to comply with the applicable laws relating to Aadhar may expose our Company to penalties and regulatory scrutiny which may damage our reputation and lead to loss of customer confidence which could have a material adverse impact on our business, financial condition and results of operations. We may incur substantial compliance and monitoring costs if further rules and regulations are enacted, or if the existing regulations are enforced on a more stringent basis.

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

As of January 31, 2024, we employed 1,315 personnel across our operations. Any employee unrest directed against us or our management, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition. None of our workforce is currently unionized. However, there is a risk that our employees may choose to unionize in the future. We may in the future be affected by strikes, work stoppages or other employee disputes if any portion of our workforce were to become part of a union in the future. In the event of a major dispute with our employees, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations and, if not resolved in a timely manner, could adversely affect our business, financial condition, results of operations, cash flows and prospects.

46. ***This Draft Red Herring Prospectus contains information from third parties and from the CRISIL Report prepared by CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

The industry and market information contained in this Draft Red Herring Prospectus includes information that is derived from a report titled "*Industry Report on NBFC Sector in India*" dated November 2023 prepared by an independent third-party research agency, CRISIL. Our Company has commissioned CRISIL pursuant to the engagement letter dated October 30, 2023. Neither we nor any of our Directors or the BRLM are related parties of CRISIL. The CRISIL Report has been commissioned and paid for by us for the purposes of confirming our industry exclusively in connection with the Issue. The report uses certain methodologies for market sizing and forecasting, and may include numbers relating to our Company that differ from those we record internally. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. 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. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. While these industry sources and publications may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data.

Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. The CRISIL Report is available on the website of our Company at www.manbafinance.com/investor-relation/. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. 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 details, see "*Industry Overview*" on page 134.

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

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the banking and financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the banking and financial services industry generally or us specifically could adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations. Negative publicity can result from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as an organization in financial solution sector with a high industry profile, are inherently exposed to this risk. In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, and other forms of internet-based communications which allow individuals access to a broad audience of customers and other interested persons. Many social media platforms immediately publish the content that their subscribers and participants post, often without filters or checks on accuracy of the content posted. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information's accuracy. The damage may be immediate without affording us an opportunity for redress or correction. Other risks associated with the use of social media include negative comments about us, fraud, hoaxes or malicious exposure of false information. Such inappropriate, unverifiable or false information regarding us may be published online or on social media by third parties, or any other such damage to our brand or our reputation may result in withdrawal of business by our existing customers and loss of new business from potential customers, could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition.

48. ***We require several statutory and regulatory approvals, licenses, registrations and permissions to conduct our business and an inability to obtain or maintain such approvals, licenses, registrations and permissions in a timely manner, or at all, may adversely affect our operations.***

We require several approvals, licenses, registrations and permissions to operate our business, including a registration for our Company with the RBI as a NBFC as well as various other corporate actions, such as certificates of incorporation and registrations under the various tax and labour legislations. In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. We cannot assure you that the relevant authorities will issue any such permits or approvals in a timely manner, or at all, or on favourable terms and conditions. Our failure to comply with the terms and conditions of such permits or approvals or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have an adverse effect on our operations.

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), GST registrations and trade licenses of the particular state in which we operate. For instance, we have made an application for registration of our branch offices in Anand, Mehsana and Rajkot in the state of Gujarat under the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 and we are yet the receive the registration certificates in respect of the same. For further information, see "*Government and Other Approvals*" on page 386. If we fail in the future 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. Further, several of the licenses and approvals required in relation to our branches are subject to local state or municipal laws, including the renewal of approvals, that expire from time to time, in the ordinary course of our business. 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. We have obtained a significant number of, but not all, approvals, licenses, registrations and permits that we require from the relevant authorities.

49. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and restrictive terms of our financing arrangements.***

The amount of our future dividend payments, if any, will depend upon internal and external factors, including among others, our future earnings, liquidity position, working capital requirements, cash flows, applicable Indian legal restrictions, state economy and other factors. The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and the Companies Act, 2013. There can be no assurance that our Company will pay dividends in the future. We may decide to retain all of our earnings, if any, for use in the operations and expansion of our business. Accordingly, realization of a gain on shareholder investments will depend on the appreciation of the price of the Equity Shares. For further details of payment of dividend by our Company during last three Fiscals, please see "*Dividend Policy*" on page 265.

50. ***We have contingent liabilities and our financial condition could be adversely affected if these contingent liabilities materialize.***

The following is a summary table of our contingent liabilities as of September 30, 2023 as per Restated Financial Statements:

(₹ in lakhs)

Particulars	Amount
Disputed Income Taxes	223.75
Total	**223.75**

For further details, see "*Restated Financial Statements – Note 35 – Contingent Liabilities*" on page 287. In the event that any of these contingent liabilities and commitments materialize, our results of operations and financial condition may be adversely affected. Moreover, there can be no assurance that we will not incur similar or increased levels of contingent liabilities and commitments in the current Financial Year, or in the future.

51. ***We do not own our Registered Office and have taken the same on leave and license basis and any revocation or adverse changes in the terms of the leave and license may have an adverse effect on our business, prospects, results of operations and financial condition.***

Our registered office located at 324, Runwal Heights Commercial Complex, L.B.S Marg, Opp. Nirmal Lifestyle, Mulund (West), Mumbai, Maharashtra, India, 400 080 is taken on leave and license basis from Prashant P. Thacker (HUF) for period of 60 months w.e.f. April 1, 2019. Further, our Corporate Office located at IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India is taken on leave and license basis from our Group Company, Theme Infotech Private Limited for a period of 36 months w.e.f. May 1, 2022. Further, as of January 31, 2024, we had 28 branches throughout India that we occupy through on leave and license basis.

These leave and license agreements have limited validity. In case of revocation of these leave and license agreement by owner of the premises we use or imposition of any terms and conditions that are unfavourable to us, we may suffer a disruption in our operations or have to pay increased rent, which could have a material adverse effect on our business, prospects, results of operations and financial condition.

EXTERNAL RISK FACTORS

52. ***The Issue Price, market capitalization to total revenue multiple and price to earnings ratio based on the Issue Price of our Company, may not be indicative of the market price of the Equity Shares on listing or thereafter.***

The Issue Price of the Equity Shares is proposed to be determined through a book-building process. The market price of the Equity Shares, price to earnings ratio based on the Issue Price may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

53. ***We may be subject to surveillance measures, such as the Additional Surveillance Measures (ASM) and the Graded Surveillance Measures (GSM) by the Stock Exchanges which may adversely affect trading price of our Equity Shares.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are subject to such pre-emptive surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

54. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

55. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.***

Our business, results of operations and financial condition could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. For further details, please see "*Key Regulations and Policies in India*" on page 222.

The governmental and regulatory bodies may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, results of operations and financial condition.

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 investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals.

The Government of India has notified four labour codes which are yet to completely come into force as on the date of this Draft Red Herring Prospectus, namely, (i) The Code on Wages, 2019, (ii) The Industrial Relations Code, 2020, (iii) The Code on Social Security, 2020 and (iv) The Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations.

There can be no assurance that the Government of India will not implement new regulations and policies requiring us to obtain approvals and licenses from the Government of India or other regulatory bodies or impose onerous requirements and conditions on our operations. 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 financial condition.

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

56. ***Financial and geo-political instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial and geo-political turmoil in Asia, Europe and the Middle East and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial and geo-political instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability and geo-political issues in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

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. 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 significant financial disruption or geo-political concerns could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

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

The Restated Financial Information comprises of the restated statement of assets and liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the restated statements of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated statement of cash flows for the six months period ended September 30, 2023 and for the Fiscals ended March 31,2023, March 31,2022 and March 31,2021, the summary statement of significant accounting policies and other explanatory information read together with summary statement of significant accounting policies, annexures and notes thereto prepared in accordance with Ind AS and restated by Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Issue, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Consolidated Financial Information included in this Draft Letter of Issue will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Issue should accordingly be limited.

58. ***Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. 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. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

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

59. ***A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political uncertainty due to the general elections in 2024;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- geo-political issues and conflicts in the Middle East and Europe;
- increase in fuel prices due to geo-political issues;

- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

60. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

61. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

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 can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, 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 pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI 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.

62. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

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

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) 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 fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. 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.

63. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

64. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- epidemic or any other public health in India or in countries in the region or globally;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

65. *Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following their listing of our Equity Shares on the Stock Exchanges.*

The purchase price of our Equity Shares in the Issue will be determined by our Company in consultation with the BRLM, pursuant to the Book Building Process. This price will be based on numerous factors, as described under in *"Basis for Issue Price"* on page 112. This price may not necessarily be indicative of the market price of our Equity Shares after the Issue is completed. You may not be able to re-sell your Equity Shares at or above the Issue Price and may as a result lose all or part of your investment.

Equity Shares allotted in this Issue are expected to trade on Stock Exchanges after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

The price at which our Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition, results of operations and cash flows;
- The history and prospects for our business;
- An assessment of our management, our past and present operations and the prospects for as well as timing of our future revenues and cost structures;
- The valuation of publicly traded companies that are engaged in business activities similar to ours;
- 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 of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affecting our business;
- additions or departures of Key Managerial Personnel;
- changes in the interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects.

66. *Any future issuance of Equity Shares by us or sales of Equity Shares by our Promoter could adversely affect the trading price of our Equity Shares and in the case of the issuance of Equity Shares by us result in the dilution of our then current shareholders.*

As disclosed in *"Capital Structure"* on page 84, an aggregate of 20% of the Issue shall be considered as minimum Promoters' Contribution and locked in for a period of eighteen (18) months and the balance Equity Shares held by the Promoters following the Issue will be locked-in for six (6) months from the date of Allotment. As such, there can be no assurance that our Company will not issue additional Equity Shares after the lock-in period expires or that our Promoter will not sell, pledge or encumber his Equity Shares after the lock-in period expires. Future issuances of Equity Shares or convertible securities and the sale of the underlying Equity Shares could dilute the holdings of our Shareholders and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then trading price of our Equity Shares or the Issue Price. Sales of Equity Shares by the Promoter could also adversely affect the trading price of our Equity Shares.

67. ***You will not be able to immediately sell any of the Equity Shares you purchase in this Issue on the Stock Exchanges.***

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

68. ***You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

69. ***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 not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within three (3) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing.

Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within three (3) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

70. ***Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of Equity 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, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of the Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

71. ***The requirements of being a publicly listed company may strain our resources.***

Our Equity Shares are not listed on Stock Exchanges. After listing of Equity Shares on Stock Exchanges, we will be subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses. We will be subject to the SEBI Listing Regulations aplicable to companies whose equity shares are listed on Stock Exchanges, which will, among other things, require us to comply with SEBI Listing Regulations. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner

SECTION III: INTRODUCTION

THE ISSUE

The following table summarizes details of the Issue:

Issue	Up to 1,25,70,000 Equity Shares of face value of ₹10 each fully paid up of our Company for cash at a price of ₹ [●] per Equity Shares, aggregating up to ₹ [●] lakhs
The Issue comprises:	
Fresh Issue (1) ^	Up to 1,25,70,000 Equity Shares, aggregating up to ₹ [●] lakhs
The Issue consists of:	
A) QIB Portion (3) (4)	Not more than [●] Equity Shares
of which:	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(3)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion (5)	Not less than [●] Equity Shares
of which:	
(a) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 2,00,000 to ₹ 10,00,000	[●] Equity Shares
(b) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 10,00,000	[●] Equity Shares
C) Retail Portion (4)	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)	3,76,69,410 Equity Shares
Equity Shares outstanding after the Issue*	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Issue*" on page 106 for information on the use of the proceeds from the Issue.

(1) The Issue has been authorised by our Board pursuant to resolutions passed at their meeting held on December 28, 2023, and by our Shareholders pursuant to a special resolution dated January 4, 2024. In the event of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue.

(2) Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, 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 in proportion to their Bids For further details, see "Issue Procedure" on page 411.

(3) *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 any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws. For further details, please see "Terms of the Issue" on page 399.*

(4) *Further, (a) 1/3rd of the portion available to NIBs shall be reserved for applicants with application size of more than ₹ 2,00,000 and up to ₹ 10,00,000, and (b) 2/3rd of the portion available to NIBs shall be reserved for applicants with application size of more than ₹ 10,00,000. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of NIBs .The allocation to each NIB shall not be less than the minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*

(5) *Allocation to Bidders in all categories, except the Anchor Investors, NIBs and RIBs, 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 proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, see "Issue Procedure" on page 411.*

For details, including in relation to grounds for rejection of Bids, refer to "*Issue Structure*" and "*Issue Procedure*" on pages 406 and 411, respectively. For details of the terms of the Issue, see "*Terms of the Issue*" on page 399.

SUMMARY OF RESTATED FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Statements. The summary of financial information presented below has been prepared in accordance with Ind AS for the period six months period ended September 30, 2023 and the Financial years ended 2023, 2022 and 2021 restated in accordance with the SEBI ICDR Regulations and are presented in the section "Restated Financial Statements" on page 287. The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes and annexures thereto and the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 355.

(*THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK*)

SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS				
I. Financial Assets				
(a) Cash and cash equivalents	4,180.22	6,237.99	3,198.39	453.93
(b) Bank balance other than cash and cash equivalents	5,917.99	4,624.53	1,805.57	921.53
(c) Loans	69,634.20	62,331.61	48,267.35	51,978.44
(d) Investments	2,627.08	1,835.99	8.04	5.00
(e) Other financial assets	799.10	933.03	1,080.45	225.84
Total Financial Assets	**83,158.59**	**75,963.15**	**54,359.80**	**53,584.74**
II. Non- financial Assets				
(a) Current tax assets (net)	-	-	19.52	-
(b) Deferred tax assets (net)	220.96	147.21	202.25	161.37
(c) Property, plant and equipment	885.11	970.13	1,131.97	1,217.69
(d) Other intangible assets	88.51	79.84	53.79	103.05
(e) Right of use of assets	1,056.32	1,117.85	92.80	261.30
(f) Other non-financial assets	521.49	446.57	285.67	212.05
Total Non- financial Assets	**2,772.40**	**2,761.60**	**1,786.00**	**1,955.46**
TOTAL ASSETS	**85,930.99**	**78,724.75**	**56,145.80**	**55,540.20**
LIABILITIES AND EQUITY				
LIABILITIES				
I. Financial Liabilities				
(a) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	642.73	748.03	1,200.80	225.84
(b) Debt securities	6,388.11	2,656.93	1,499.92	3,833.33
(c) Borrowings (other than debt securities)	58,734.45	56,936.08	37,939.81	36,634.22
(d) Lease liabilities	1,133.46	1,166.71	104.42	281.14
(e) Other financial liabilities	141.21	94.80	59.02	126.93
Total Financial Liabilities	**67,039.96**	**61,602.55**	**40,803.97**	**41,101.46**
II. Non-Financial Liabilities				
(a) Current tax liabilities (net)	200.03	46.33	-	110.42
(b) Provisions	118.09	116.81	95.02	67.54
(c) Other non-financial liabilities	37.53	115.93	72.43	67.57
Total Non-Financial Liabilities	**355.65**	**279.07**	**167.45**	**245.53**
EQUITY				
(a) Equity share capital	1,255.65	1,255.65	1,255.65	1,255.65
(b) Other Equity	17,279.73	15,587.48	13,918.73	12,937.56
Total Equity	**18,535.38**	**16,843.13**	**15,174.38**	**14,193.21**
TOTAL LIABILITIES AND EQUITY	**85,930.99**	**78,724.75**	**56,145.80**	**55,540.20**

SUMMARY OF RESTATED PROFIT AND LOSS ACCOUNT

(₹ lakhs)

Particulars	For six months period ended on September 30, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Revenue from operations				
(a) Interest income	7,401.74	12,496.17	9,397.99	9,665.27
(b) Other operating income	1,427.12	835.47	1,261.07	900.36
Total revenue from operations	**8,828.86**	**13,331.64**	**10,659.06**	**10,565.63**
(a) Other income	0.07	0.07	2.88	10.80
Total income	**8,828.93**	**13,331.71**	**10,661.94**	**10,576.43**
Expenses				
(a) Finance costs	3,595.48	5,661.89	4,658.59	5,098.82
(b) Impairment on financial instruments	479.65	831.31	1,003.59	770.25
(c) Employee benefit expense	1,678.99	2,799.86	2,287.14	1,907.36
(d) Depreciation, amortisation and impairment	225.93	444.64	379.24	362.81
(e) Other expenses	715.37	1,315.35	1,067.10	1,151.48
Total expenses	**6,695.42**	**11,053.05**	**9,395.66**	**9,290.72**
Profit before taxes	**2,133.51**	**2,278.66**	**1,266.28**	**1,285.71**
Tax expenses				
(1) Current tax	530.88	569.22	335.52	430.01
(2) Deferred tax	(77.73)	51.42	(43.27)	(80.62)
Profit for the year	**1,680.36**	**1,658.01**	**974.02**	**936.33**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
(i) Re-measurement gains / (losses) on defind benefit plans	15.81	14.39	6.47	21.34
(ii) Income tax impact	(3.98)	(3.62)	(1.63)	(5.37)
(iii) Gain on fair value of equity instruments	-	-	3.04	-
(iv) Income tax impact	-	-	(0.77)	-
Other comprehensive income for the year	**11.83**	**10.77**	**7.11**	**15.97**
Total comprehensive income for the year	**1,692.19**	**1,668.78**	**981.13**	**952.30**
Earnings per equity shares (face value - Rs. 10 per equity share)				
(1) Basic (INR)	4.46	4.40	2.59	2.49
(2) Diluted (INR)	4.46	4.40	2.59	2.49

SUMMARY OF RESTATED STATEMENT OF CASHFLOWS

(₹ lakhs)

Particulars	For six months period ended on September 30, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary items	2,133.51	2,278.66	1,266.28	1,285.71
Adjustments for:				
(+) Depreciation	97.60	199.95	203.31	187.88
(+) Provision	17.09	36.18	33.95	64.08
(-) Profit on sale of fixed assets	-	-	-	(0.99)
(-) Profit on sale of investment	-	-	-	-
(-) Income from Investment (FVTPL)	(935.85)	-	3.04	-
Sub-total	**1,312.35**	**2,514.79**	**1,506.58**	**1,536.68**
(-) Dividend Received	-	-	-	-
(-) Income Tax Paid	530.88	569.22	335.52	430.01
Operating Profit before Working Capital Changes	**781.47**	**1,945.57**	**1,171.06**	**1,106.67**
(Increase)/Decrease in Current Assets	120.54	(1,019.01)	(779.25)	101.81
Increase/(Decrease) in Current Liabilities & Trade Payables	(16.84)	735.13	624.77	(236.92)
(Increase)/Decrease in Loans given	(7,302.59)	(14,064.26)	3,711.09	(1,678.78)
Net Cash Flow from Operating activities	**(6,417.42)**	**(12,402.57)**	**4,727.67**	**(707.22)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Asset	(180.35)	(68.18)	(69.82)	(132.10)
Sale of fixed assets	159.10	4.03	1.53	2.84
Purchase of Investments	-	(1,827.95)	(3.04)	-
Sale of Investments	144.76	-	-	-
Other Income	-	-	-	-
Net Cash used in investing activities	**123.51**	**(1,892.10)**	**(71.33)**	**(129.26)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	-	-	-	-
Proceeds from/(repayment of) Borrowings	5,529.55	20,153.28	(1,027.82)	1,136.81
Loans and Advances Given	-	-	-	-
Net Cash from Financing Activities	**5,529.55**	**20,153.28**	**(1,027.82)**	**1,136.81**
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	**(764.36)**	**5,858.60**	**3,628.52**	**300.34**
Cash and cash equivalents at the beginning of the year	**10,862.53**	**5,003.97**	**1,375.46**	**1,075.13**
Cash and cash equivalents at the close of the year	**10,098.17**	**10,862.58**	**5,003.97**	**1,375.47**

GENERAL INFORMATION

Company registration number and corporate identity number

The registration number and corporate identity number of our Company are as follow:

Corporate identity number: U65923MH1996PLC099938
Company registration number: 099938

Registered Office of our Company

Manba Finance Limited
324, Runwal Heights Commercial Complex,
L.B.S Marg, Opp. Nirmal Lifestyle,
Mulund (West),
Mumbai 400 080,
Maharashtra, India
Tel.: +91 22 6234 6598
E-mail: investorrelation@manbafinance.com
Website: www.manbafinance.com

Corporate Office of our Company

Manba Finance Limited
IT/ ITES Building, Plot No. A-79,
Road No. 16, Wagle Estate,
Thane 400 604,
Maharashtra, India
Tel.: +91 22 6234 6598
E-mail: investorrelation@manbafinance.com
Website: www.manbafinance.com

Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai which is situated at the following address:

Registrar of Companies, Maharashtra at Mumbai
100, Everest, Marine Drive,
Mumbai 400 002,
Maharashtra, India

Board of Directors of our Company

The following table sets out the details of our Board as on the date of this Draft Red Herring Prospectus:

Name of director	Designation	DIN	Address
Manish Kiritkumar Shah	Managing Director	00979854	3701/02, B wing Sarvodaya Heights JN Road, Sarvodaya Nagar, Mulund West, Mumbai 400 080, Maharashtra, India.
Nikita Manish Shah	Whole Time Director and Head – Business Development	00171306	3701/02, B wing Sarvodaya Heights Jain Mandir Road, Sarvodaya Nagar, Mulund West – 400080, Maharashtra, India
Monil Manish Shah	Whole Time Director and Chief Business Officer	07054772	B-3701, 37th Floor B-Wing, Sarvodaya Heights, Jain Mandir Road, Sarvodaya Nagar, Mulund West Mumbai 400 080, Maharashtra, India.
Jay Khushal Mota	Whole Time Director and Chief Financial Officer	03105256	B-505 Vaishali Tower, B. R. Road Vaishali Nagar, Mulund West, Mumbai 400 080, Maharashtra, India
Anshu Shrivastava	Chairman and Independent Director	06594455	E/704, Grace Vasant Oscar CHS LTD, L.B.S. Marg Mulund (West) Mumbai 400 080, Maharashtra, India.
Abhinav Sharma	Independent Director	07641980	H No. 3022 1st Floor Qaziwara S.S.A Road Kucha Neel Kanth, Daryaganj, Central Delhi, Delhi 110 002, India.

Name of director	Designation	DIN	Address
Neelam Tater	Independent Director	07653773	808, Ambesh Textile, Bus Stand Road, Kunwaria, Rajsamand, Koaria, 313 327, Rajasthan, India.

For further details of our Board of Directors, see *"Our Management – Board of Directors"* on page 240 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Bhavisha Ashish Jain
Manba Finance Limited
324, Runwal Heights Commercial Complex,
L.B.S Marg, Opp. Nirmal Lifestyle,
Mulund (West),
Mumbai 400 080,
Maharashtra, India
Tel.: +91 22 6234 6598
E-mail: investorrelation@manbafinance.com
Website: www.manbafinance.com

Investor Grievances

Bidders may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, investors may also write to the BRLM.

All Issue related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries 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. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Issue related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID,
Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor

Book Running Lead Manager

Hem Securities Limited
904, A Wing, Naman Midtown,
Senapati Bapat Marg, Elphinstone Road,
Lower Parel, Mumbai 400 013,
Maharashtra, India
Tel: +91 22 4906 0000
E-mail: ib@hemsecurities.com
Website: www.hemsecurities.com
Investor grievance e-mail: redressal@hemsecurities.com
Contact Person: Roshni Lahoti
SEBI Registration No. INM000010981

Syndicate Members

[●]

Statement of *inter-se* allocation of responsibilities among the Book Running Lead Manager

Hem Securities Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

Legal Counsel to the Issue

Desai & Diwanji
Forbes Building, 4th floor,
Charanjit Rai Marg,
Fort, Mumbai 400 001
Maharashtra, India
Tel: +91 22 4560 1000

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
Telephone: +91 810 811 4949
Email: manbafinance.ipo@linkintime.co.in
Investor grievance email: manbafinance.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Issue

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Issue Bank(s)

[●]

Sponsor Bank(s)

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites 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 RIB using the UPI Mechanism), not Bidding through Syndicate / Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and at such other websites as may be prescribed by SEBI from time to time.

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

Self-Certified Syndicate Banks eligible as Issuer Banks for UPI Mechanism

In accordance with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by the SEBI, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, 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 on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted under 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) as updated 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

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

Experts

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

Our Company has received written consent dated March 6, 2024 from Venus Shah & Associates, Chartered Accountants to include their name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) read with Section 26 of the Companies Act, 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of their examination report on our Restated Financial Statements dated February 14, 2024 and in respect of the statement of possible tax benefits dated February 6, 2024. The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Statutory Auditor of our Company

Venus Shah & Associates
Chartered Accountants
301B, Vikas Commercial,
Bhakti Marg, Mulund West,
Mumbai 400080, Maharashtra, India
E-mail: audit@venusshah.com
Telephone: +91 86550 55938

Firm registration number: 120878W
Peer review number: 014559
Contact Person: Venus Bhupendrakumar Shah

Changes in auditors

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus except as disclosed below:

Particulars	Date of change	Reasons for change
Venus Shah & Associates, Chartered Accountants 301B, Vikas Commercial, Bhakti Marg, Mulund West, Mumbai 400080, Maharashtra, India **Email:** audit@venusshah.com **Telephone:** **Firm Registration Number:** 120878W **Peer review number:**	January 4, 2023	Appointment as Statutory Auditor
A T M S & Co. LLP, Chartered Accountants Lotus Park, Unit No 201, 2nd Floor Wagle Industrial Estate, Road No 16, MIDC Thane West **Email**: roc@atmsco.in **Telephone**: +91 22 62346598 **Firm Registration Number**: W100164	November 14, 2022	Resignation due to pre-occupation

Bankers to our Company

IDFC First Bank Limited

The Square, C-61, G Block.
Ground Floor to 8th Floor, Bandra Kurla Complex,
Bandra East, Mumbai - 400051
Telephone: 022-71325654
Contact Person: Abdullah Mehtab
Email: abdullah.mehtab@idfcfirstbank.com
Website: www.idfcfirstbank.com

Grading of the Issue

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

Monitoring Agency

[●]

Appraising Entity

None of the objects for which the Net Proceeds will 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 Trustee

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

Green Shoe Option

No green shoe option is contemplated under the Issue.

Filing

A copy of this Draft Red Herring Prospectus is being filed electronically with SEBI at cfddil@sebi.gov.in in accordance with the SEBI circular dated March 27, 2020, in relation to *"Easing of Operational Procedure –Division of Issues and Listing –CFD"* and on the SEBI's online portal at https://siportal.sebi.gov.in, in accordance with SEBI master circular bearing reference no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023 as specified in Regulation 25(8) of the SEBI ICDR Regulations.

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

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, shall be filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 shall be filed with the RoC at its office, and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Book Building Process

The 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 within the Price Band. The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the Book Running Lead Manager, and shall be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) an and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maarashtra, where our Registered Office and Corporate 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 on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLM after the Bid/ Issue Closing Date. For details, see "*Issue Procedure*" on page 411 of this Draft Red Herring Prospectus.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. UPI Bidders shall participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism. 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 ₹ 5,00,000 shall use the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors Bidding in the Retail Portion can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Bidders will be on a proportionate basis while Allocation to the Anchor Investors will be on a discretionary basis. The allocation to each Retail Individual Investor and Non-Institutional Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

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.

Bidders should note that the Issue is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For Further details on the method and procedure for Bidding see "*Issue Structure*" and *"Issue Procedure"* on pages 406 and 411, respectively.

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 shall enter into an Underwriting Agreement with the Underwriters for the Equity Shares offered in the Issue. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement. The Underwriting Agreement will be dated [●]. 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 Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

(₹ in lakhs)

Name, address, telephone and e-mail of Underwriters	**Indicative number of Equity Shares to be Underwritten**	**Amount Underwritten**
[●]	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (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 merchant bankers registered with our Board or stock brokers registered with the Stock Exchanges. Our Board at its meeting held on [●], has accepted and entered 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.

CAPITAL STRUCTURE

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

(In ₹ except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price*
A.	**Authorized Share Capital**(1)		
	5,49,00,000 Equity Shares of face value of ₹ 10 each	54,90,00,000	
	1,00,000 Preference Shares of face value of ₹ 10 each	10,00,000	-
	Total	55,00,00,000	
B.	**Issued, Subscribed and Paid-up Share Capital before the Issue**		
	3,76,69,410 Equity Shares of face value of ₹ 10 each	37,66,94,100	-
C.	**Present Issue in terms of this Draft Red Herring Prospectus**		
	Issue of up to [●] Equity Shares aggregating up to ₹ [●] lakhs	[●]	[●]
	of which:		
	Fresh Issue of up to [●] Equity Shares aggregating to ₹ [●] lakhs(2)	[●]	[●]
D.	**Issued, Subscribed and Paid-up Share Capital after the Issue***		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E.	**Securities Premium Account**		
	Before the Issue	33,67,89,373	
	After the Issue	[●]	

**To be updated upon finalization of the Issue Price.*

(1) For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see "History and Certain Corporate Matters-Amendments to our Memorandum of Association" on page 236 of this Draft Red Herring Prospectus.

(2) The Fresh Issue has been authorized by our Board pursuant to its resolution dated December 28, 2023 and the Fresh Issue has been authorized by our Shareholders pursuant to their special resolution dated January 4, 2024.

1. Notes to the Capital Structure

(a) **Equity Share Capital history of our Company**

The following table sets forth the history of the Equity Share capital of our Company.

Date of allotment	Number of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares
May 31, 1996	300	10.00	10.00	Initial subscription to MoA(1)	Cash	300
July 1, 1996*	2,65,330	10.00	10.00	Further issue(2)	Cash	2,65,630
February 1, 2001	2,00,000	10.00	10.00	Further issue(3)	Cash	4,65,630
March 31, 2001	75,000	10.00	20.00	Further issue(4)	Cash	5,40,630
October 31, 2002*	4,86,567	10.00	NIL	Bonus issue(5)	Bonus Issue of 10 Equity Shares for every 9 Equity Shares	10,27,197
December 31, 2002*	4,69,125	10.00	40.00	Conversion of 16% Fully Convertible Debentures(6)	Cash	14,96,322
March 15, 2004@	87,900	10.00	50.00	Conversion of 15% Optionally Fully	Cash	15,84,222

Date of allotment	Number of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares
				Convertible Debentures Series III (7)		
March 14, 2005@	15,84,222	10.00	NIL	Bonus issue(8)	Bonus Issue of 1 Equity Share for every 1 Equity Share	31,68,444
September 2, 2008	2,46,300	10.00	50.00	Conversion of Manba Millenium Bonds(9)	Cash	34,14,744
October 1, 2009	4,00,000	10.00	50.00	12% Optionally Fully Convertible Debentures(10)	Cash	38,14,744
March 31, 2010	5,00,000	10.00	50.00	12% Optionally Fully Convertible Debentures (11)	Cash	43,14,744
March 30, 2012	8,75,000	10.00	80.00	Rights issue(12)	Cash	51,89,744
March 30, 2013	4,50,000	10.00	45.00	Rights issue(13)	Cash	56,39,744
March 30, 2014	75,000	10.00	55.00	Rights issue(14)	Cash	57,14,744
March 31, 2018	12,37,114	10.00	97.00	Preferential allotment(15)	Cash	69,51,858
March 31, 2018	10,30,927	10.00	97.00	Conversion of CCD into equity(16)	Cash	79,82,785
March 30, 2019	14,56,350	10.00	103.00	Rights issue (17)	Cash	94,39,135
March 31, 2020	12,29,508	10.00	122.00	Rights issue(18)	Cash	1,06,68,643
March 31, 2020	18,87,827	10.00	NIL	Bonus issue(19)	Bonus Issue of 1 Equity Shares for every 5 Equity Shares	1,25,56,470
January 17, 2024	2,51,12,940	10.00	NIL	Bonus issue(20)	Bonus Issue of 2 Equity Shares for every 1 Equity Share	3,76,69,410

* *Form 2 for the allotments is not available. We have placed reliance on the disclosures made in the financial statements and statutory registers, to ascertain the details of the issue of Equity Shares, the nature of allotment and the nature of consideration since the forms are not available in the records of the RoC, as certified by M/s. Ronak Jhuthawat & Co. Practising Company Secretary, in the search report dated March 5, 2024 ("**RoC Search Report**"). For further information, please refer to risk factor "Risk Factors - Our Company was incorporated in the year 1996 and certain documents filed by us with the RoC are not traceable. While we have conducted a search with RoC, in respect of the availability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future." on page 57.*

@ *The list of allotees annexed to Form 2 is unavailable for the said allotments. We have conducted a search at the RoC for these records and relied on the RoC Search Report. For further details, see "Risk Factors – Our Company was incorporated in the year 1996 and certain documents filed by us with the RoC are not traceable. While we have conducted a search with RoC, in respect of the availability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future." on page 57.*

(1) Allotment of 100 Equity Shares to Manish Kiritkumar Shah, 100 Equity Shares to Nikita Manish Shah and 100 Equity Shares to Kirit Ratanshi Shah.

(2) Allotment of 55,400 Equity Shares to Manish Kiritkumar Shah, 37,400 Equity Shares to Nikita Manish Shah, 37,400 Equity Shares to Kirit R. Shah, 5,000 Equity Shares to Kirit Ratanshi Shah (HUF), 17,500 Equity Shares to Manish Kiritkumar Shah (HUF), 57,500 Equity Shares to Manhar K. Shah, 45,000 Equity Shares to Rupesh K. Shah, 5,000 Equity Shares to Mansi Hardik Shah (alias Mansi Manish

Shah), 5,000 Equity Shares to Monil Manish Shah, 10 Equity Shares to Aruna Devendra Shah, 10 Equity Shares to Ela D. Nandani, 10 Equity Shares to Usha S. Shah, 10 Equity Shares to Asha B. Shah, 10 Equity Shares to Gaurav P. Thakkar, 10 Equity Shares to Zaverben K. Mistry, 10 Equity Shares to Bano Shafique, 10 Equity Shares to Sibrina Shafique, 10 Equity Shares to Vijay P. Thakkar, 10 Equity Shares to Shafique Shafaquat, 10 Equity Shares to Vijay R. Shah, 10 Equity Shares to Jagruti K. Shah, 10 Equity Shares to Vipul Nathalal Parekh.

(3) Allotment of 1,50,000 Equity Shares to Manish Kiritkumar Shah and 50,000 Equity Shares to Nikita Manish Shah.

(4) Allotment of 25,000 Equity Shares to Manojkumar Shah, 25,000 Equity Shares to Saralaben Parekh and 25,000 Equity Shares to Vipul Parekh.

(5) Allotment of 90 Equity shares to Aarti P. Kabra, 90 Equity Shares to Anil K. Sanghavi, 9 Equity Shares to Ashok Laxmikant Sodah, 9 Equity Shares to Bano Shafique, 270 Equity Shares to Deepak Khandubhai Desai, 9 Equity Shares to Deepti Jitendra Desai, 9 Equity Shares to Dharmishtha N. Seth, 9 Equity Shares to Harsha C. Shah, 90 Equity Shares to Jayaben Shantilal Dagha, 900 Equity Shares to Jayantilal B. Mehta, 180 Equity Shares to Jigna Rupesh Shah, 9 Equity Share to Kailash Kishor Shah, 9 Equity Shares to Kamlesh Mongi Pandya, 1,800 Equity Shares to Kantilal Kasturchand Shah, 900 Equity Shares to Khimji Chauhan, 4,500 Equity Share to Kirit R. Shah (HUF), 6,750 Equity Shares to Kirit Ratanshi Shah, 900 Equity Shares to Kusum P. Shah, 900 Equity Shares to Madhu Rajnikant Mehta, 900 Equity Shares to Madhu Rajnikant Mehta, 90 Equity Shares to Mafatlal Rameshlal Shah, 1,86,372 Equity Shares to Manba Investments and Securities Private Limited, 2,250 Equity Shares to Manhar K. Shah, 2,250 Equity Shares to Manish Kiritkumar Shah (HUF), 1,35,009 Equity Shares to Manish Kiritkumar Shah, 900 Equity Shares to Manjula Gokuldas Thakkar, 900 Equity Shares to Manjula Suresh Shah, 22,410 Equity Shares to Manojkumar Khimchand Shah, 900 Equity Shares to Naresh M. Prajapati, 63,000 Equity Shares to Nikita Manish Shah, 9 Equity Shares to Pradeep Parekh, 90 Equity Shares to Pravinchandra Chunilal Shah, 900 Equity Shares to Pravinchandra Hakimchand Shah, 900 Equity Shares to Pushpa Mansukhlal Mehta, 900 Equity shares to Rakesh Dhanwantrai Shah, 900 Equity Shares to Ramniklal B Chauhan, 9 Equity Shares to Rasila K. Pandya, 1,800 Equity Shares to Rekha H Vora, 3,240 Equity Shares to Rupesh K. Shah, 22,590 Equity Shares to Saralaben Nathalal Parekh, 9 Equity Shares to Shafaqat Shifique, Shailesh Ashok Sodah, 9 Equity Shares to Shantilal Ravji Solanki, 900 Equity Shares to Shilpa Suresh Rathod, 270 Equity Shares to Vijay Dhansukhlal Patel, 9 Equity Shares to Vipul Kantilal Zaveri, 22,509 Equity Shares to Vipul Nathalal Parekh pursuant to the bonus issue in the ratio 10:9.

(6) Allotment of 8,750 Equity Shares to Anila Hasmukh Vibhani, 7,500 Equity Shares to Dharmishtha N. Sheth, 17,500 Equity Shares to Jayaben Shantilal Dagha, 15,125 Equity Shares to Khimji Mulji Chauhan, 15,750 Equity Shares to Kusum P. Shah, 25,000 Equity Shares to Manba Investments and Securities Private Limited, 38,125 Equity Shares to Manhar K. Shah, 75,625 Equity Shares to Manish Kiritkumar Shah, 24,500 Equity Shares to Manish Kiritkumar Shah (HUF), 17,500 Equity Shares to Manjula Suresh Shah, 1,37,650 Equity Shares to Nikita Manish Shah, 15,125 Equity Shares to Pravinchandra Chunilal Shah, 22,525 Equity Shares to Ramniklal B Chauhan, 15,700 Equity Shares to Rekha H Vora, 7,500 Equity Shares to Saralaben Nathalal Parekh, 19,000 Equity Shares to Shilpa Suresh Rathod and 6,250 Equity Shares Vipul Nathalal Parekh pursuant to the conversion of optionally convertible debentures.

(7) Allotment of 6,000 Equity Shares to Bhadresh H. Mehta, 6,500 Equity Shares to Chandrakant Parikh, 6,400 Equity Shares to Dhirajlal B. Patel, 6,500 Equity Shares to Indira Shah, 6,000 Equity Shares to Jayesh Shah, 2,500 Equity Shares to Jayshree Poptani, 6,500 Equity Shares to Kishore B. Sheth, 2,000 Equity Shares to Manisha N Rawal, 1,500 Mehul V. Shah, 3,000 Equity Shares to Mukta J. Chauhan, 6,000 Equity Shares to Nandlal M. Thakkar, 6,500 Equity Shares to Ramesh T. Shah, 6,000 Equity Shares to Sangeeta Shah, 6,000 Equity Shares to Santosh Makwana, 4,500 Equity Shares to Shailesh J. Rawal, 6,000 Equity Shares to Sonal R. Shah, 6,000 Equity Shares to Vikram B. Doshi.

(8) Allotment of 19 Equity Shares to Chandan P. Shah, 190 Equity Shares to Deepti Jitendra Desai, 190 Equity Shares to Harsha C. Shah, 100 Equity Shares to Hiten V. Shah, 190 Equity Shares to Indumati H. Mehta, 38 Equity Shares to Jayantilal B. Mehta, 100 Equity Shares to Jayshree N. Shah, 190 Equity Shares to Jigna H. Parikh, 380 Equity Shares to Jigna R. Shah, 114 Equity Shares to Jyotsna N. Ajmera, 100 Equity Shares to Kishore B. Sheth, 9,500 Equity Shares to Kirit R. Shah (HUF), 14,250 Equity Shares to Kirit Ratanshi Shah, 209 Equity Shares to Kumudben P. Shah, 4,18,452 Equity Shares to Manba Investments and Securities Private Limited, 42,875 Equity Shares to Manhar Kirit Shah, 38 Equity Shares to Manish H Shah, 65,550 Equity Shares to Manish Kiritkumar Shah (HUF), 5,48,509 Equity Shares to Manish Kiritkumar Shah and 19 Equity Shares to Manjula Suresh Shah, 100 Equity Shares to Manjula N. Dedhia, 50 Equity Shares to Meena C Shah, 228 Equity Share to, 589 Equity Shares to Mukesh L. Kothari, 57 Equity Shares to Naresh M. Prajapati, 100 Equity Shares to Nayana V. Maniyar, 109 Equity Shares to Nikesh D. Shah, 4,73,716 Equity Shares to Nikita Manish Shah, 19 Equity Shares to Nirmala V. Shah, 19 Equity Shares to Parag D. Shah, 100 Equity Share to Pinky K. Shah, 38 Equity Shares to Prakash R. Patel, 50 Equity Shares to Pravin M. Shah, 190 Equity Shares to Pravin R. Ajmera, 19 Equity Shares to Preeti N. Shah, 100 Equity Shares to Pushpa Sanghavi, 100 Equity Shares to Ramila V Shah, 100 Equity Shares to Ranjanaben P. Bhinde, 6,840 Equity Shares to Rupesh K. Shah, 38 Equity Shares to Rupesh K. Shah (HUF), 19 Equity Shares to Shashikant K. Shah, 100 Equity Shares to Sonal H. Shah, 19 Equity Shares to Upendra R. Sheth, 100 Equity Shares to Urmila Prataprai Shah, 100 Equity Shares to Usha S. Shah, 209 Equity Shares to Vasumati M. Shah and 100 Equity Shares to Vimal M. Darji.

(9) Allotment of 2,800 Equity Shares to Alka D Vasa, 3,400 Equity Shares to Alka Jasani, 5,200 Equity Shares to Anila B Doshi, 2,800 Equity Shares to Aruna D Shah, 2,800 Equity Shares to Aruna R Shah, 5,200 Equity Shares to Beena K Sindharta, 5,200 Equity Shares to Bhanuben U Shah, 5,200 Equity Shares to Bharati P Shah, 4,600 Equity Shares to Bharti U Prajapati, 5,200 Equity Shares to Bhavna H Sanghavi, 4,600 Equity Shares to Bhavana M Shah, 5,200 Equity Shares to Chayya A. Parekh, 2,800 Equity Shares to Chhotalal M Trivedi, 3,400 Equity Shares to Daksha J Mehta, 2,800 Equity Shares to Deepak R Shah, 3,400 Equity Shares to Dhansukh P Vasa, 3,400 Equity Shares to Gunvantrai Mehta, 2,800 Equity Shares to Indira Shah, 5,200 Equity Shares to Jayaben R. Sheth, 5,200 Equity Shares to Jayshree N. Shah, 2,800 Equity Shares to Kailash D Shah, 4,000 Equity Shares to Kamlesh P. Shah, 4,600 Equity Shares to Kanta A. Prajapati, 5,200 Equity Shares to Kantaben L Shah, 4,000 Equity Shares to Kishor M Sanghavi, 2,800 Equity Shares to Kokila B Shah, 2,800 Equity Shares to Kunjlata V Thakkar, 2,800 Equity Shares to Lata S Shah, 4,000 Equity Shares to Mahesh N Gohil, 3,400 Equity Shares to Mahesh P Mehta, 2,800 Equity Shares to Manubhai C Darji, 4,600 Equity Shares to Maya S Rawal, 5,200 Equity Shares to Meena C Shah, 4,600 Equity Shares to Nathuben P Patel, 3,400 Equity Shares to Nayana M. Mehta, 4,600 Equity Shares to Neepa B Mehta, 2,800 Equity Shares

to Nirmalaben P Bhatt, 2,800 Equity Shares to Nirmala J. Bheda, 3,400 Equity Shares to Nirmala P Shah, 5,200 Equity Shares to Pradeep S Parekh, 2,300 Equity Shares to Prafulla D Shah, 4,600 Equity Shares to Prafulla R Chuhan, 4,600 Equity Shares to Pushpa M Mehta, 5,200 Equity Shares to Ragini C Trivedi, 2,800 Equity Shares to Ramesh D Rathod, 2,800 Equity Shares to Ramila V Shah, 4,000 Equity Shares to Ramniklal B Chauhan, 5,200 Equity Shares to Ranjan P Shah, 4,600 Equity Shares to Rekha H Vora, 4,600 Equity Shares to Rekha M Shah, 5,200 Equity Share to Rekha Shashikant Shah, 2,800 Equity Shares to Rimple L Vakharia, 5,200 Equity Shares to Rita M Shah, 2,800 Equity Shares to Rita R Jasani, 2,800 Equity Shares to Sheetal D Shah, 5,200 Equity Shares to Shobhana D Thakkar, 4,000 Equity Shares to Sanjay J Mehta, 4,600 Equity Shares to Urmila Prataprai Shah, 5,200 Equity Shares to Usha S Shah, 4,600 Equity Shares to Varsha P Parekh, 2,800 Equity Shares to Vibha M Mehta and 4,000 Equity Shares to Vijay P Lakhani.

(10) Allotment of 4,000 Equity Shares to Alka D Vasa, 3,000 Equity Shares to Alka Jasani, 6,000 Equity Shares to Anila B. Doshi, 5,000 Equity Shares to Aruna R. Shah, 6,000 Equity Shares to Beena K Sindharta, 5,000 Equity Shares to Bhanuben U Shah, 6,000 Equity Shares to Bharti U Prajapati, 4,000 Equity Shares to Bharati P Shah, 4,000 Equity Shares to Bhavna H Sanghavi, 3,000 Equity Shares to Bhavana M. Shah, 7,000 Equity Shares to Bhogilal A. Shah, 5,000 Equity Shares to Chayya A. Parekh, 6,000 Equity Shares to Chhotalal M Trivedi, 4,000 Equity Shares to Deepak R Shah, 5,000 Equity Shares to Gunvantrai Mehta, 6,000 Equity Shares to Hiraben R. Shah, 5,500 Equity Shares to Indira Shah, 4,000 Equity Shares to Jadhavji R. Bheda, 6,000 Equity Shares to Jayaben R Sheth, 3,500 Equity Shares to Jayshree N. Shah, 6,000 Equity Shares to Jayshree P. Shah, 10,000 Equity Shares to Jyoti R Parmar, 4,000 Kailash D Shah, 8,000 Equity Shares to Kalpana H. Patwa, 6,000 Equity Shares to Kamlesh P Shah, 2,000 Equity Shares to Kanakrai M. Shah, 6,000 Equity Shares to Kanta A. Prajapati, 6,000 Equity Shares to Kantaben L Shah, 2,500 Equity Shares to Kanubhai N. Sanghvi, 2,000 Equity Shares to Kirit S. Rawal, 6,000 Equity Shares to Kirti M. Sidhpura, 4,000 Equity Shares to Kishore M Sanghavi, 3,000 Equity Shares to Kokila B Shah, 5,000 Equity Shares to Kumudben P. Shah, 3,000 Equity Shares to Kunjlata V Thakkar, 6,400 Equity Shares to Lata S Shah, 3,000 Equity Shares to Mahendra M. Mistry, 6,000 Equity Shares to Mahesh N Gohil, 5,000 Equity Shares to Mahesh P Mehta, 8,000 Equity Shares to Mansukh M. Mehta, 6,000 Equity Shares to Manubhai C Darji, 6,000 Equity Shares to Maya S Rawal, 2,000 Equity Shares to Naresh M. Prajapati, 5,300 Equity Shares to Nathuben P Patel, 5,000 Equity Shares to Nayna D Shah, 7,000 Equity Shares to Nayna M Mehta, 6,000 Equity Shares to Neepa B Mehta, 6,000 Equity Shares to Nirmala J. Bheda, 3,000 Equity Shares to Nirmalaben P Bhatt, 7,000 Equity Shares to Nirmala P Shah, 8,000 Equity Shares to Paresh N Shah, 2,000 Equity Shares to Prafulla D Shah, 6,000 Equity Share to Prafulla R Chauhan, 6,000 Equity Shares to Pushpa M Mehta, 6,000 Equity Shares to Ragini C Trivedi, 6,000 Equity Shares to Rajesh U Prajapati, 6,000 Equity Shares to Ramaben V Parekh, 3,000 Equity Shares to Ramesh D Rathod, 6,000 Equity Shares to Ramila V Shah, 6,000 Equity Shares to Ramniklal B Chauhan, 5,000 Equity Shares to Ramniklal Vora, 6,000 Equity Shares to Ranjan P Shah, 4,000 Equity Shares to Rekha H Vora, 6,000 Equity Shares to Rekha M Shah, 5,000 Equity Shares to Rekha Shashikant Shah, 6,000 Equity Shares to Rita M Shah, 2,000 Equity Shares to Rita R Jasani, 5,400 Equity Shares to Sangeeta H. Patel, 6,000 Equity Shares to Sanjay Mehta, 5,000 Equity Shares to Shashikala M Doshi, 5,400 Equity Shares to Sheetal D Shah, 6,000 Equity Shares to Shobhna D Thakkar, 5,000 Equity Shares to Urmila Prataprai Shah, 6,000 Equity Shares to Usha S Shah, 3,000 Equity Shares to Vanita Parekh, 4,000 Equity Shares to Varsha P Parekh, 5,000 Equity Shares to Vibha M Mehta and 7,000 Equity Shares to Vijay P Lakhani.

(11) Allotment of 6,000 Equity Shares to Alpesh R Shah, 6,000 Equity Shares to Anila H Vibhani, 6,900 Equity Shares to Arvind S Shah, 4,000 Equity Shares to Ashok B Chauhan, 6,000 Equity Shares to Bhanumati B Shah, 3,000 Equity Shares to Bharti R Sejpal, 6,000 Equity Shares to Bhartiben B Gor, 2,000 Equity Shares to Bhavesh V Parekh, 6,000 Equity Shares to Bhupatrai N Seth 14,400 Equity Shares to Bipin M Mehta, 10,000 Equity Shares to Chandrakant J Parikh, 3,500 Equity Shares to Chandrikaben Chauhan, 6,000 Equity Shares to Dalsukh P Shah, 5,000 Equity Shares to Deepak V Maniyar, 6,000 Equity Shares to Dhansukh T Vasa, 5,000 Equity Shares to DhirajlaI R Jethwa, 6,000 Equity Shares to Dipika K Sanghavi, 6,000 Equity Shares to Dipti B Sheth, 4,000 Equity Shares to Geeta A Prajapati, 2,000 Equity Shares to Hashmukh K Vibhani, 5,000 Equity Shares to Hasmukh M Shah, 5,000 Equity Shares to Himmatlal B Shah, 4,400 Equity Shares to Hitesh H Shah, 4,000 Equity Shares to Jatin A Joshi, 4,000 Equity Shares to Kailash K Shah, 10,000 Equity Shares to Kalpana S Doshi, 2,000 Equity Shares to Kanchan S Jasani, 4,000 Equity Shares to Kantilal K Shah, 5,000 Equity Shares to Karuna S. Doshi, 3,000 Equity Shares to Khimji M Chauhan, 4,000 Equity Shares to Kishore J Shah, 3,000 Equity Shares to Kishoriben H Bhatt, 4,000 Equity Shares to Kokila H Shah, 6,000 Equity Shares to Kundan P Mehta, 8,000 Equity Shares to Kusum P. Shah, 7,000 Equity Shares to Manish H Shah, 2,000 Equity Shares to Manish J Shah, 5,000 Equity Shares to Manish V Mehta, 6,000 Equity Shares to Manisha L Shah, 7,000 Equity Shares to Manisha N Rawal, 2,000 Equity Shares to Manjula A Chauhan, 2,000 Equity Shares to Manhar K. Shah, 5,000 Equity Shares to Mansukh M. Mehta, 8,000 Equity Shares to Meena H. Shah, 4,000 Equity Shares to Meena K Chauhan, 6,000 Equity Shares to Meena K Shah, 4,000 Equity Shares to Minaxi K Shah, 8,000 Equity Shares to Mohanlal G Shah, 7,000 Equity Shares to Mukesh R Parmar, 2,000 Equity Shares to Mukesh V Mehta, 2,000 Equity Shares to Nalini N Dave, 6,000 Equity Shares to Nathuben P Patel, 5,500 Equity Shares to Nalwarlal B Rawal, 2,000 Equity Shares to Nayna A Shah, 6,000 Equity Shares to Nilesh H Shah, 2,000 Equity Shares to Niruben A Shah, 6,000 Equity Shares to Niruben B Jani, 3,000 Equity Shares to Nisha D Shah, 6,000 Equity Shares to Nutan D Shah, 3,000 Equity Shares to Pankaj R Sanghvi, 3,000 Equity Shares to Prabhulal R Solanki, 3,000 Equity Shares to Pradeep K Shah, 6,000 Equity Shares to Pradeep P Shah, 6,000 Equity Shares to Pradeep S Parekh, 4,000 Equity Shares to Pragnesh P Joshi, 5,000 Equity Shares to Pramila K Ramasiya, 4,000 Equity Shares to Pramila L Vakharia, 4,000 Equity Shares to Prataprai C Shah, 4,000 Equity Shares to Pratima S Shah, 6,000 Equity Shares to Pravinchandra B Doshi, 9,000 Equity Shares to Pushpa H Sanghvi, 9,000 Equity Shares to Rajesh H. Kapadia, 7,000 Equity Shares to Rajesh P Shah, 2,000 Equity Shares to Ramaben D Shah, 2,000 Equity Shares to Ramesh B Parmar, 7,000 Equity Shares to Rameshchandra B Shah, 6,400 Equity Shares to Ranjana A Shah, 6,000 Equity Shares to Rekha D Maniyar, 4,000 Equity Shares to Renuka P Karia, 2,000 Equity Shares to Rita P Sanghvi, 6,800 Equity Shares to Sachin K Shah, 8,000 Equity Shares to Seema M Sidhpura, 6,000 Equity Shares to Shailesh J Rawal, 4,000 Equity Shares to Shirin N Dedhia, 7,000 Equity Shares to Shobhana U Seth, 2,000 Equity Shares to Silel T Shah, 3,000 Equity Shares to Sona D Shah, 4,000 Equity Shares to Suresh N Rawal, 6,000 Equity Shares to Suresh N Shah, 5,000 Equity Shares to Tarulata B Shah, 6,000 Equity Shares to Thakurlal A Shah, 6,000 Equity Shares to Umesh J Prajapati, 7,500 Equity Shares to Upendra R Sheth, 6,000 Equity Shares to Usha B Mehta, 6,500 Equity Shares to Vadilal M Shah, 4,000 Equity Shares to Vaishali V Shah, 6,000 Equity Shares to Varsha C Veera, 4,000 Equity Shares to Vasanti S Gada, 4,500 Equity Shares to Yashoda R Mehta.

(12) Allotment of 5,00,000 Equity Shares to Avalon Advisory and Consultant Services Private Limited (erstwhile Manba Broking Services Private Limited), 62,500 Equity Shares to Casper Enterprise Private Limited, 62,500 Equity Shares to Olive Overseas Private Limited, 62,500 Equity Shares Atharv Business Private Limited, 62,500 Equity Shares to Duke Business Private Limited, 62,500 Equity Shares to Nakshatra Business Private Limited and 62,500 Equity Shares to Viraj Mercantile.

(13) *Allotment of 3,50,000 Equity Shares to Manba Investments and Securities Private limited and 1,00,000 Equity Shares to Avalon Advisory and Consultant Services Private Limited (erstwhile Manba Broking Services Private Limited).*

(14) *Allotment of 75,000 Equity Shares to Manish Kiritkumar Shah.*

(15) *Allotment of 3,09,278 Equity Shares to Manba Infotech LLP, 2,06,185 Equity Shares to Manish Kiritkumar Shah (HUF), 3,09,279 Equity Shares to Manish Kiritkumar Shah, 2,06,186 Equity Shares to Monil Manish Shah and 2,06,186 Equity Shares to Nikita Manish Shah.*

(16) *Allotment of 3,49,484 Equity Shares to Manba Infotech LLP and 6,81,443 Equity Shares to Manba Investments and Securities Private Limited.*

(17) *Allotment of 5,34,000 Equity Shares to Manish Kiritkumar Shah 2,42,700 Equity Shares to Manish Kiritkumar Shah (HUF), 2,91,300 Equity Shares to Monil Manish Shah, 3,88,350 Equity Shares to Nikita Manish Shah.*

(18) *Allotment of 5,73,770 Equity Shares to Manba Investments and Securities Private Limited, 2,45,902 Equity Shares to Manba Fincorp Private Limited and 409,836 Equity Shares to Manba Infotech LLP.*

(19) *Allotment of 3,57,769 Equity Shares to Manish Kiritkumar Shah, 274,682 Equity Shares to Nikita Manish Shah, 1,23,047 Equity Shares to Manish Kiritkumar Shah (HUF), 300 Equity Shares to Mansi Hardik Shah (alias Mansi Manish Shah), 99,697 Equity Shares to Monil Manish Shah, 6,76,929 Equity Shares to Manba Investments and Securities Private Limited, 1,48,650 Equity Shares to Avalon Advisory and Consultant Services Private Limited (erstwhile Manba Broking Services Private Limited), 75,000 Equity Shares to Manba Fincorp Private Limited, 1,31,753 Equity Shares to Manba Infotech LLP.*

(20) *Allotment of 43,73,232 Equity Shares to Manish Kiritkumar Shah, 33,36,180 Equity Shares to Nikita Manish Shah, 14,76,564 Equity Shares to Manish Kiritkumar Shah (HUF), 3,600 Equity Shares to Mansi Hardik Shah (alias Mansi Manish Shah), 11,96,366 Equity Shares to Monil Manish Shah, 92,70,692 Equity Shares to Manba Investments and Securities Private Limited, 16,63,800 Equity Shares to Avalon Advisory and Consultant Services Private Limited (erstwhile Manba Broking Services Private Limited), 13,91,804 Equity Shares to Manba Fincorp Private Limited, 24,00,702 Equity Shares to Manba Infotech LLP.*

2. Equity shares issued in the preceding one year below the Issue Price

Except for the bonus issue undertaken by our Company on January 17, 2024, our Company has not issued any Equity Shares at a price which is below the Issue Price during the period of one year preceding the date of this Draft Red Herring Prospectus. For further details, see '- Equity Share Capital history of our Company' as mentioned above.

3. Issue of Equity Shares for consideration other than cash or by way of bonus issue

Except as set out below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue:

Date of allotment	Reason for allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Benefits accrued to our Company
October 31, 2002	Bonus issue(1)	4,86,567	10.00	NIL	-
March 14, 2005	Bonus issue(2)	15,84,222	10.00	NIL	-
March 31, 2020	Bonus issue(3)	18,87,827	10.00	NIL	-
January 17, 2024	Bonus issue(4)	2,51,12,940	10.00	NIL	-

Notes:

(1) *Allotment of 90 Equity shares to Aarti P. Kabra, 90 Equity Shares to Anil K. Sanghavi, 9 Equity Shares to Ashok Laxmikant Sodah, 9 Equity Shares to Bano Shafique, 270 Equity Shares to Deepak Khandubhai Desai, 9 Equity Shares to Deepti Jitendra Desai, 9 Equity Shares to Dharmishtha N. Seth, 9 Equity Shares to Harsha C. Shah, 90 Equity Shares to Jayaben Shantilal Dagha, 900 Equity Shares to Jayantilal B. Mehta, 180 Equity Shares to Jigna Rupesh Shah, 9 Equity Share to Kailash Kishor Shah, 9 Equity Shares to Kamlesh Mongi Pandya, 1,800 Equity Shares to Kantilal Kasturchand Shah, 900 Equity Shares to Khimji Chauhan, 4,500 Equity Share to Kirit R. Shah (HUF), 6,750 Equity Shares to Kirit Ratanshi Shah, 900 Equity Shares to Kusum P. Shah, 900 Equity Shares to Madhu Rajnikant Mehta, 900 Equity Shares to Madhu Rajnikant Mehta, 90 Equity Shares to Mafatlal Rameshlal Shah, 186,372 Equity Shares to Manba Investments and Securities Private Limited, 2,250 Equity Shares to Manhar K. Shah, 2,250 Equity Shares to Manish Kiritkumar Shah (HUF), 1,35,009 Equity Shares to Manish Kiritkumar Shah, 900 Equity Shares to Manjula Gokuldas Thakkar, 900 Equity Shares to Manjula Suresh Shah, 22,410 Equity Shares to Manojkumar Khimchand Shah, 900 Equity Shares to Naresh M. Prajapati,, 63,000 Equity Shares to Nikita Manish Shah, 9 Equity Shares to Pradeep S Parekh, 90 Equity Shares to Pravinchandra Chunilal Shah, 900 Equity Shares to Pravinchandra Hakimchand Shah, 900 Equity Shares to Pushpa Mansukhlal Mehta, 900 Equity shares to Rakesh Dhanwantrai Shah, 900 Equity Shares to Ramniklal B Chauhan, 9 Equity Shares to Rasila K. Pandya, 1,800 Equity Shares to Rekha H Vora, 3,240 Equity Shares to Rupesh K. Shah, 22,590 Equity Shares to Saralaben Nathalal Parekh, 9 Equity Shares to Shafaqat Shifique, Shailesh Ashok Sodah, 9 Equity Shares to Shantilal Ravji Solanki,*

900 Equity Shares to Shilpa Suresh Rathod, 270 Equity Shares to Vijay Dhansukhlal Patel, 9 Equity Shares to Vipul Kantilal Zaveri, 22,509 Equity Shares to Vipul Nathalal Parekh pursuant to the bonus issue of 10 Equity Shares for every 9 Equity Shares.

(2) Allotment of 19 Equity Shares to Chandan P. Shah, 190 Equity Shares to Deepti Jitendra Desai, 190 Equity Shares to Harsha C. Shah, 100 Equity Shares to Hiten V. Shah, 190 Equity Shares to Indumati H. Mehta, 38 Equity Shares to Jayantilal B. Mehta, 100 Equity Shares to Jayshree N. Shah, 190 Equity Shares to Jigna H. Parikh, 380 Equity Shares to Jigna R. Shah, 114 Equity Shares to Jyotsna N. Ajmera, 100 Equity Shares to Kishore B. Sheth, 9,500 Equity Shares to Kirit R. Shah (HUF), 14,250 Equity Shares to Kirit Ratanshi Shah, 209 Equity Shares to Kumudben P. Shah, 4,18,452 Equity Shares to Manba Investments and Securities Private Limited, 42,875 Equity Shares to Manhar K. Shah, 38 Equity Shares to Manish H Shah, 65,550 Equity Shares to Manish Kiritkumar Shah (HUF), 5,48,509 Equity Shares to Manish Kiritkumar Shah and 19 Equity Shares to Manjula Suresh Shah, 100 Equity Shares to Manjula N. Dedhia, 50 Equity Shares to Meena C Shah, 228 Equity Shares to Minaxi K Shah, 589 Equity Shares to Mukesh L. Kothari, 57 Equity Shares to Naresh M. Prajapati, 100 Equity Shares to Nayana V. Maniyar, 109 Equity Shares to Nikesh D. Shah, 4,73,716 Equity Shares to Nikita Manish Shah, 19 Equity Shares to Nirmala V. Shah, 19 Equity Shares to Parag D. Shah, 100 Equity Share to Pinky K. Shah, 38 Equity Shares to Prakash R. Patel, 50 Equity Shares to Pravin M. Shah, 190 Equity Shares to Pravin R. Ajmera, 19 Equity Shares to Preeti N. Shah, 100 Equity Shares to Pushpa Sanghavi, 100 Equity Shares to Ramila V Shah, 100 Equity Shares to Ranjanaben P. Bhinde, 6,840 Equity Shares to Rupesh K. Shah, 38 Equity Shares to Rupesh K. Shah (HUF), 19 Equity Shares to Shashikant K. Shah, 100 Equity Shares to Sonal H. Shah, 19 Equity Shares to Upendra R. Sheth, 100 Equity Shares to Urmila Prataprai Shah, 100 Equity Shares to Usha S. Shah, 209 Equity Shares to Vasumati M. Shah and 100 Equity Shares to Vimal M. Darji pursuant to the bonus issue of 1 Equity Share for every 1 Equity Share.

(3) Allotment of 3,57,769 Equity Shares to Manish Kiritkumar Shah, 2,74,682 Equity Shares to Nikita Manish Shah, 1,23,047 Equity Shares to Manish Kiritkumar Shah (HUF), 300 Equity Shares to Mansi Hardik Shah (alias Mansi Manish Shah), 99,697 Equity Shares to Monil Manish Shah, 6,76,929 Equity Shares to Manba Investments and Securities Private Limited, 1,48,650 Equity Shares to Avalon Advisory and Consultant Services Private Limited (erstwhile Manba Broking Services Private Limited), 75,000 Equity Shares to Manba Fincorp Private Limited, 1,31,753 Equity Shares to Manba Infotech LLP pursuant to the bonus issue of 1 Equity Shares for every 5 Equity Shares.

(4) Allotment of 43,73,232 Equity Shares to Manish Kiritkumar Shah, 33,36,180 Equity Shares to Nikita Manish Shah, 14,76,564 Equity Shares to Manish Kiritkumar Shah (HUF), 3,600 Equity Shares to Mansi Hardik Shah (alias Mansi Manish Shah), 11,96,366 Equity Shares to Monil Manish Shah, 92,70,692 Equity Shares to Manba Investments and Securities Private Limited, 16,63,800 Equity Shares to Avalon Advisory and Consultant Services Private Limited (erstwhile Manba Broking Services Private Limited), 13,91,804 Equity Shares to Manba Fincorp Private Limited, 24,00,702 Equity Shares to Manba Infotech LLP pursuant to the bonus issue of 2 Equity Shares for every 1 Equity Share.

4. Issue of Equity Shares out of revaluation reserves

Our Company has not issued any Equity Shares out of its revaluation reserves since incorporation.

5. Issue of Equity Shares pursuant to any scheme of arrangement

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

6. Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares

As of the date of this Draft Red Herring Prospectus, our Promoters hold 3,76,64,010 Equity Shares, constituting 99.99% of the issued, subscribed and paid-up equity share capital of our Company.

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

The details regarding the build-up of our Promoters' shareholding are set forth below:

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
A) MANISH KIRITKUMAR SHAH							
May 31, 1996	100	10.00	10.00	Initial subscription to MoA	Cash	Negligible	[●]
July 1, 1996	55,400	10.00	10.00	Further issue	Cash	0.15	[●]

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
July 28, 1997	32,000	10.00	10.00	Transfer from Manhar K. Shah	Cash	0.08	[●]
March 6, 1999	10,000	10.00	10.00	Transfers(1)	Cash	0.03	[●]
September 28, 1999	4,000	10.00	10.00	Transfer from Rupesh K. Shah	Cash	0.01	[●]
February 11, 2000	60,000	10.00	10.00	Transfers(2)	Cash	0.16	[●]
February 1, 2001	1,50,000	10.00	10.00	Further issue	Cash	0.40	[●]
March 31, 2001	(1,61,500)	10.00	10.00	Transfer to Manba Investments and Securities Private Limited	Cash	(0.43)	[●]
October 1, 2002	10	10.00	10.00	Transfer from Virendra Jitendra Desai	Cash	0.00	[●]
October 31, 2002	1,35,009	10.00	NIL	Bonus issue	Other than Cash	0.36	[●]
December 31, 2002	75,625	10.00	40.00	Conversion of 16% Fully Convertible Debentures	Cash	0.20	[●]
January 28, 2003	(19)	10.00	10.00	Transfer to Madavi D Gosalia	Cash	Negligible	[●]
July 16, 2003	52,365	10.00	10.00	Transfers(3)	Cash	0.14	[●]
July 23, 2003	49,150	10.00	10.00	Transfers(4)	Cash	0.13	[●]
March 15, 2004	53,769	10.00	10.00	Transfer from Vipul Nathalal Parekh	Cash	0.14	[●]
September 1, 2004	32,638	10.00	10.00	Transfers(5)	Cash	0.09	[●]
March 14, 2005	5,48,509	10.00	NIL	Bonus issue	Other than Cash	1.46	[●]
March 31, 2005	1,14,512	10.00	10.00	Transfers(6)	Cash	0.30	[●]
March 8, 2006	(1,50,000)	10.00	10.00	Transfer to Manba Investments and Securities Private Limited	Cash	(0.40)	[●]
October 4, 2007	(2,50,000)	10.00	10.00	Transfers(7)	Cash	(0.66)	[●]
September 1, 2008	25,000	10.00	10.00	Transfers(8)	Cash	0.07	[●]
June 30, 2010	4,000	10.00	10.00	Transfer from Manhar K. Shah	Cash	0.01	[●]
March 30, 2014	75,000	10.00	55.00	Further issue	Cash	0.20	[●]
March 31, 2018	3,09,279	10.00	97.00	Preferential allotment	Cash	0.82	[●]
March 31, 2019	5,34,000	10.00	103.00	Conversion of CCD into equity	Cash	1.42	[●]
June 4, 2019	30,000	10.00	103.00	Transfer from Avalon Advisory and Consultancy	Cash	0.08	[●]

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
				Services Private Limited (*erstwhile Manba Broking Services Private Limited*)			
March 31, 2020	3,57,769	10.00	NIL	Bonus issue	Other than Cash	0.95	[●]
September 24, 2020	40,000	10.00	122.00	Transfer from Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	0.11	[●]
January 17, 2024	43,73,232	10.00	NIL	Bonus Issue	Other than Cash	11.61	[●]
Sub-total (A)					**65,59,848**	**17.41**	**[●]**
B) NIKITA MANISH SHAH							
May 31, 1996	100	10.00	10.00	Initial subscription to MoA	Cash	Negligible	[●]
July 1, 1996	37,400	10.00	10.00	Further issue	Cash	0.10	[●]
February 1, 2001	50,000	10.00	10.00	Further issue	Cash	0.13	[●]
March 31, 2001	(37,500)	10.00	10.00	Transfer to Manba Investments and Securities Private Limited	Cash	(0.10)	[●]
April 30, 2002	20,000	10.00	10.00	Transfer from Manba Investments and Securities Private Limited	Cash	0.05	[●]
October 31, 2002	63,000	10.00	NIL	Bonus issue	Other than Cash	0.17	[●]
December 31, 2002	1,37,650	10.00	40.00	Conversion of 16% Fully Convertible Debentures	Cash	0.37	[●]
July 9, 2003	6,726	10.00	10.00	Transfers(9)	Cash	0.02	[●]
July 24, 2003	1,06,450	10.00	10.00	Transfers(10)	Cash	0.28	[●]
March 15, 2004	55,190	10.00	10.00	Transfer from Saralaben Nathalal Parekh	Cash	0.15	[●]
September 1, 2004	34,700	10.00	10.00	Transfers(11)	Cash	0.09	[●]
March 14, 2005	4,73,716	10.00	NIL	Bonus issue	Other than Cash	1.26	[●]
March 18, 2006	(50,000)	10.00	10.00	Transfer to Manba Investments and securities Private Limited	Cash	(0.13)	[●]
October 4, 2007	(1,50,000)	10.00	10.00	Transfers(12)	Cash	(0.40)	[●]
September 1, 2008	14,440	10.00	10.00	Transfers(13)	Cash	0.04	[●]

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
February 28, 2013	(8,000)	10.00	80.00	Transfer to Avalon Advisory and Consultancy Services Private Limited (*erstwhile known as Manba Broking Services Private Limited*)	Cash	(0.02)	[●]
March 31, 2018	2,06,186	10.00	97.00	Further issue	Cash	0.55	[●]
March 31, 2019	3,88,350	10.00	103.00	Further issue	Cash	1.03	[●]
June 4, 2019	25,000	10.00	103.00	Transfer from Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	0.07	[●]
March 31, 2020	2,74,682	10.00	NIL	Bonus issue	Other than Cash	0.73	[●]
September 24, 2020	20,000	10.00	122.00	Transfer from Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	0.05	[●]
January 17, 2024	33,36,180	10.00	NIL	Bonus issue	Other than Cash	8.86	[●]
Sub-total (B)					**50,04,270**	**13.29**	**[●]**
C) MANISH KIRITKUMAR SHAH (HUF)							
July 1, 1996	17,500	10.00	10.00	Further issue	Cash	0.05	[●]
March 31, 2001	(15,000)	10.00	10.00	Transfer to Manba Investments and Securities Private Limited	Cash	(0.04)	[●]
October 31, 2002	2,250	10.00	NIL	Bonus issue	Other than Cash	0.01	[●]
December 31, 2002	24,500	10.00	40.00	Conversion of 16% Fully convertible debentures	Cash	0.07	[●]
September 1, 2004	36,300	10.00	10.00	Transfers(14)	Cash	0.10	[●]
March 14, 2005	65,550	10.00	NIL	Bonus issue	Other than Cash	0.17	[●]
February 28, 2013	(2,250)	10.00	80.00	Transfer to Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking*	Cash	(0.01)	[●]

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
				Services Private Limited)			
March 30, 2014	(1,000)	10.00	10.00	Transfer to Monil Manish Shah	Cash	Negligible	[●]
March 30, 2014	(1,500)	10.00	10.00	Transfer to Mansi Hardik Shah (alias Mansi Manish Shah)	Cash	Negligible	[●]
March 31, 2018	2,06,185	10.00	97.00	Preferential allotment	Cash	0.55	[●]
March 31, 2019	2,42,700	10.00	103.00	Conversion of CCD into equity	Cash	0.64	[●]
June 4, 2019	40,000	10.00	103.00	Transfer from Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited)*	Cash	0.11	[●]
March 31, 2020	1,23,047	10.00	122.00	Further issue	Cash	0.33	[●]
January 17, 2024	14,76,564	10.00	NIL	Bonus issue	Other than Cash	3.92	[●]
Sub-total (C)					**22,14,846**	**5.88**	**[●]**
D) MONIL MANISH SHAH							
July 1, 1996	5,000	10.00	10.00	Further issue	Cash	0.01	[●]
March 6, 1999	(5,000)	10.00	10.00	Transfer to Manish Kiritkumar Shah	Cash	(0.01)	[●]
August 1, 2003	1,900	10.00	10.00	Transfer from Ranjan P Shah	Cash	0.01	[●]
January 20, 2004	(1,900)	10.00	10.00	Transfer to Rasila K. Pandya	Cash	(0.01)	[●]
March 30, 2014	1,000	10.00	10.00	Transfer from Manish Kiritkumar Shah (HUF)	Cash	Negligible	[●]
March 31, 2018	2,06,186	10.00	97.00	Further issue	Cash	0.55	[●]
March 30, 2019	2,91,300	10.00	103.00	Further issue	Cash	0.77	[●]
March 31, 2020	99,697	10.00	NIL	Bonus issue	Other than Cash	0.26	[●]
January 17, 2024	11,96,366	10.00	NIL	Bonus issue	Other than Cash	3.18	[●]
Sub-total (D)					**17,94,549**	**4.76**	**[●]**
E) MANBA INVESTMENTS AND SECURITIES PRIVATE LIMITED							
March 31, 2001	2,25,390	10.00	10.00	Transfers(15)	Cash	0.60	[●]
September 30, 2001	1,690	10.00	10.00	Transfers(16)	Cash	Negligible	[●]
April 30, 2002	(20,000)	10.00	10.00	Transfer to Nikita Manish Shah	Cash	(0.05)	[●]

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
October 31, 2002	1,86,372	10.00	NIL	Bonus issue	Other than Cash	0.49	[●]
December 31, 2002	25,000	10.00	40.00	Further issue	Cash	0.07	[●]
March 14, 2005	4,18,452	10.00	NIL	Bonus issue	Other than Cash	1.11	[●]
March 8, 2006	1,50,000	10.00	10.00	Transfer from Manish Kiritkumar Shah	Cash	0.40	[●]
March 18, 2006	50,000	10.00	10.00	Transfer from Nikita Manish Shah	Cash	0.13	[●]
March 2, 2007	(14,500)	10.00	10.00	Transfer to Kumudben P. Shah	Cash	(0.04)	[●]
March 21, 2007	(2,15,040)	10.00	10.00	Transfers[17]	Cash	(0.57)	[●]
March 22, 2007	(2,02,540)	10.00	10.00	Transfers[18]	Cash	- (0.54)	[●]
October 4, 2007	1,00,000	10.00	10.00	Transfer from Nikita Manish Shah	Cash	0.27	[●]
October 4, 2007	1,00,000	10.00	10.00	Transfer from Manish M. Shah	Cash	0.27	[●]
March 30, 2009	(10,000)	10.00	10.00	Transfer to Jadhavji R. Bheda	Cash	(0.03)	[●]
March 30, 2009	(20,000)	10.00	10.00	Transfer to Ramaben V Parekh	Cash	(0.05)	[●]
March 30, 2009	(20,000)	10.00	10.00	Transfer to Sangeeta H. Patel	Cash	(0.05)	[●]
March 30, 2009	(20,000)	10.00	10.00	Transfer to Hiraben R. Shah	Cash	(0.05)	[●]
March 30, 2009	(20,000)	10.00	10.00	Transfer to Naresh M. Prajapati	Cash	(0.05)	[●]
March 30, 2009	(20,000)	10.00	10.00	Transfer to Asha B. Thakkar	Cash	(0.05)	[●]
May 24, 2010	18,64,380	10.00	15.01	Transfers[19]	Cash	4.95	[●]
March 25, 2011	(1,100)	10.00	10.00	Transfers[20]	Cash	Negligible	[●]
January 1, 2012	(1,20,000)	10.00	50.00	Transfer to Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	(0.32)	[●]
March 3, 2012	(20,000)	10.00	50.00	Transfer to Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	(0.05)	[●]

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
March 29, 2012	23,100	10.00	10.00	Transfers[21]	Cash	0.06	[●]
February 28, 2013	(25,000)	10.00	81.05	Transfer to Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	(0.07)	[●]
March 30, 2013	3,50,000	10.00	45.00	Further issue	Cash	0.93	[●]
March 30, 2014	(28,000)	10.00	10.00	Transfer to Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	(0.07)	[●]
November 5, 2015	(35,000)	10.00	60.00	Transfer to Avalon Advisory and Consultancy Services Private Limited (*erstwhile Manba Broking Services Private Limited*)	Cash	(0.09)	[●]
March 31, 2018	6,81,443	10.00	97.00	Conversion of CCD into equity	Cash	1.81	[●]
March 31, 2020	6,76,929	10.00	NIL	Bonus issue	Other than Cash	1.80	[●]
March 31, 2020	5,73,770	10.00	122.00	Further issue	Cash	1.52	[●]
January 17, 2024	92,70,692	10.00	NIL	Bonus issue	Other than Cash	24.61	[●]
Sub-total (E)					**1,39,06,038**	**36.92**	**[●]**
F) AVALON ADVISORY AND CONSULTANCY SERVICES PRIVATE LIMITED (ERSTWHILE MANBA BROKING SERVICES PRIVATE LIMITED)							
January 1, 2012	120,000	10.00	50.00	Transfer from Manba Investments and Securities Private Limited	Cash	0.32	[●]
March 3, 2012	20,000	10.00	50.00	Transfer from Manba Investments and Securities Private Limited	Cash	0.05	[●]
March 30, 2012	5,00,000	10.00	80.00	Further issue	Cash	1.33	[●]
February 28, 2013	8,000	10.00	80.00	Transfer from Nikita Manish Shah	Cash	0.02	[●]
February 28, 2013	2,250	10.00	80.00	Transfer from Manish Kiritkumar Shah (HUF)	Cash	0.01	[●]

Date of allotment / transfer	Number of Equity Shares	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of acquisition/ allotment/ transfer	Nature of consideration	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
February 28, 2013	25,000	10.00	81.05	Transfer from Manba Investments and Securities Private Limited.	Cash	0.07	[●]
March 30, 2013	1,00,000	10.00	45.00	Further issue	Cash	0.27	[●]
March 30, 2014	28,000	10.00	10.00	Transfer from Manba Investments and Securities Private Limited	Cash	0.07	[●]
November 5, 2015	35,000	10.00	60.00	Transfer from Manba Investments and Securities Private Limited	Cash	0.09	[●]
June 4, 2019	(30,000)	10.00	103.00	Transfer to Manish Kiritkumar Shah	Cash	(0.08)	[●]
June 4, 2019	(25,000)	10.00	103.00	Transfer to Nikita Manish Shah	Cash	(0.07)	[●]
June 4, 2019	(40,000)	10.00	103.00	Transfer to Manish Kiritkumar Shah (HUF)	Cash	(0.11)	[●]
March 31, 2020	1,48,650	10.00	NIL	Bonus issue	Other than cash	0.39	[●]
September 24, 2020	(40,000)	10.00	122.00	Transfer to Manish Kiritkumar Shah	Cash	(0.11)	[●]
September 24, 2020	(20,000)	10.00	122.00	Transfer to Nikita Manish Shah	Cash	(0.05)	[●]
January 17, 2024	16,63,800	10.00	NIL	Bonus Issue	Other than Cash	4.42	[●]
Sub-total (F)					**24,95,700**	**6.63**	**[●]**
G) MANBA FINCORP PRIVATE LIMITED							
March 30, 2014	3,75,000	10.00	55.00	Transfers(22)	Cash	1.00	[●]
March 31, 2020	75,000	10.00	NIL	Bonus issue	Other than Cash	0.20	[●]
March 31, 2020	2,45,902	10.00	122.00	Further issue	Cash	0.65	[●]
January 17, 2024	13,91,804	10.00	NIL	Bonus issue	Other than Cash	3.69	[●]
Sub-total (G)					**20,87,706**	**5.54**	**[●]**
H) MANBA INFOTECH LLP							
March 31, 2018	3,49,484	10.00	97.00	Conversion of CCD into equity	Cash	0.93	[●]
March 31, 2018	3,09,278	10.00	97.00	Further issue	Cash	0.82	[●]
March 31, 2020	1,31,753	10.00	NIL	Bonus issue	Other than Cash	0.35	[●]
March 31, 2020	4,09,836	10.00	122.00	Further issue	Cash	1.09	[●]
January 17, 2024	24,00,702	10.00	NIL	Bonus issue	Other than Cash	6.37	[●]
Sub-total (H)					**36,01,053**	**9.56**	**[●]**

(1) *Transfer of 5,000 equity shares from Monil Manish Shah and 5,000 shares from Mansi Hardik Shah (alias Mansi Manish Shah) to Manish Kiritkumar Shah on March 6, 1999.*

(2) Transfer of 30,000 equity shares from Kirit Ratanshi Shah and 30,000 shares from Manhar K. Shah to Manish Kiritkumar Shah on February 11, 2000.

(3) Transfer of 17,690 equity share from Jayaben Shantilal Daga, 17,025 equity shares from Khimji Mulji Chauhan, 17,650 equity shares from Kusum P. Shah to Manish Kiritkumar Shah on July 16, 2003.

(4) Transfer of 20,900 equity share from Shilpa Suresh Rathore, 19,500 equity shares from Rekha H Vora, 8,750 equity shares from Anila Hasmukh Vibhani to Manish Kiritkumar Shah on July 23, 2003.

(5) Transfer of 5,900 equity share from Bhadresh H. Mehta, 1,900 equity shares from Bhanumati A. Joshi, 1,900 equity shares from Damyanti N. Doshi, 5,900 equity shares from Jayesh Shah, 2,500 equity shares from Jayshree R. Poptani, 1,900 equity shares from Manisha N Rawal, 1,400 equity shares from Mehul V. Shah, 2,900 equity shares from Mukta J. Chauhan, 2,000 equity shares from Nikesh D. Shah, 4,400 equity shares from Shailesh J. Rawal, 1,938 equity shares from Prakash Patel to Manish Kiritkumar Shah on September 1, 2004.

(6) Transfer of 380 equity shares from Deepti Jitendra Desai, 200 equity shares from Kishor B. Sheth, 13,500 equity shares from Kirit Ratanshi Shah, 1,178 equity shares from Mukesh L. Kothari, 218 equity shares from Nikesh D. Shah, 380 equity shares from Pravin R. Ajmera, 76 equity shares from Rupesh K. Shah (HUF), 418 equity shares from Vasumati M. Shah, 418 equity shares from Kumudben P. Shah, 38 equity shares from Prakash Patel, 200 equity shares from Nayna V. Maniyar, 38 equity shares from Parag D. Shah, 380 equity shares from Harsha C. Shah, 200 equity shares from from Pinky K. Shah, 38 equity shares from Preeti N. Shah, 200 equity shares from Pushpa H Sanghvi, 380 equity shares from Indumati H. Mehta, 200 equity shares from Ramila V Shah, 200 equity shares from Ranjanaben P. Bhinde, 38 equity shares from Sashikant K. Shah, 76 equity shares from Jayantilal B. Mehta, 38 equity shares from Upendra R. Sheth, 228 equity shares from Jyotsna Ajmera, 200 equity shares from Urmila Prataprai Shah, 200 equity shares from Vimal M. Darji, 38 equity shares from Manjula Suresh Shah, 200 equity shares from Usha S. Shah, 38 equity shares from Chandan P. Shah, 114 equity shares from Naresh M. Prajapati, 200 equity shares from Hiten V. Shah, 380 equity shares from Jigna H. Parekh, 76 equity shares from Manish H Shah, 200 equity shares from Jayshree N. Shah, 200 equity shares from Manjula N. Dedhia, 38 equity shares from Nirmala V. Shah, 200 equity shares from Sonal H. Shah, 100 equity shares from Meena C Shah, 456 equity shares from Minaxi K Shah, 100 equity shares from Pravin M. Shah, 9,000 equity shares from Kirit Ratanshi Shah (HUF) and 83,750 equity shares from Manhar K. Shah to Manish Kiritkumar Shah on March 31, 2005.

(7) Transfer of 25,000 equity shares to Anil K. Sanghvi, Maya C. Rawal, Jyoti R. Parmar, Anjana H. Mehta, Nayna D Shah, Bhogilal A. Shah, respectively, and 1,00,000 equity shares to Manba Investments and Securities Private Limited by Manish Kiritkumar Shah on October 4, 2007.

(8) Transfer of 15,000 equity shares from Kirit Ratanshi Shah and 10,000 equity shares from Kirit R. Shah (HUF) to Manish Kiritkumar Shah on September 1, 2008.

(9) Transfer of 3,800 equity shares from Kantilal Kasturchand Shah, 190 equity shares from Jayshree R Poptani, 190 equity shares from Pradeep S Parekh, 19 equity shares from Damayanti N Joshi, 19 equity shares from Dahyaben M. Chauhan, 1,900 equity shares from Pushpa Mansukhlal Mehta, 19 equity shares from Tarulata B. Shah, 570 equity shares from Rajesh U Prajapati, 19 equity shares from Hansa P. Ajmera to Nikita Manish Shah on July 9, 2003.

(10) Transfer of 19,400 equity shares from Manjula Suresh Shah, 47,310 equity shares from Manojkumar Khimchand Shah, 15,315 equity shares from Praveenchandra Chunilal Shah, 24,425 equity shares from Ramniklal B Chauhan to Nikita Manish Shah on July 24, 2003.

(11) Transfer of 6,400 equity shares from Indira Shah, 14,000 equity shares from Kishore B. Sheth, 6,400 equity shares from Ramesh T. Shah and 7,900 equity shares from Sangeeta J. Shah to Nikita Manish Shah on September 1, 2004.

(12) Transfer of 1,00,000 equity shares to Manba Investments and Securities Private Limited, 25,000 equity shares to Vijay N. Sanghvi and 25,000 equity shares Ramniklal Vora by Nikita Manish Shah on October 4, 2007.

(13) Transfer of 760 equity shares from Jigna R. Shah and 13,680 equity shares from Rupesh K. Shah to Nikita Manish Shah on September 1, 2008 by Nikita Manish Shah on September 1, 2008.

(14) Transfer of 6,400 equity shares from Chandrakant S. Parikh, 6,300 equity shares from Dhirajlal B. Patel, 5,900 equity shares from Nandlal M. Thakkar, 5,900 equity shares from Santosh K. Makwana, 5,900 equity shares from Sonal R. Shah, 5,900 equity shares from Vikram B. Doshi to Manish Kiritkumar Shah (HUF) on September 1, 2004.

(15) Transfer of 1,000 shares from Jayshree P. Shah, 1,000 shares from Navnit J. Shah, 1,000 shares from Divyesh M. Patel, 1,000 shares from Jayesh H. Parekh, 1,000 shares from Karuna S. Doshi, 1,000 shares from Bipin M Mehta, 390 shares from Mala R. Shah, 1,61,500 shares from Manish Kiritkumar Shah, 37,500 shares from Nikita Manish Shah, 5,000 shares from Manhar K. Shah, 15,000 shares from Manish Kiritkumar Shah (HUF) to Manba Investments and Securities Private Limited on March 31, 2001.

(16) Transfer of 690 shares from Chayya A. Parekh and 1,000 shares from Pradeep P Shah to Manba Investments and Securities Private Limited on September 30, 2001.

(17) Transfer of f16,500 equity share to Kala C. Mehta, 16,000 equity shares to Sanjay Mehta, 12,500 equity shares to Rekha S. Shah, 13,000 equity shares to Urmila Prataprai Shah, 13,500 equity shares to Meena C Shah, 14,000 equity shares to Rekha M Shah, 15,000 equity shares to Kalpana H. Patwa, 14,500 equity shares to Kirit S. Rawal, 12,000 equity shares transferred to Kriti M. Sidhpura, 15,000 equity shares to Shashikala M. Doshi, 15,500 equity shares to Prafulla D Shah, 15,540 equity shares to Bhogilal A. Shah, 12,500 equity shares to Rajesh U Prajapati, 14,000 equity shares to Mansukh M. Mehta, 15,500 equity shares to Rekha H Vora, by Manba Investments and Securities Private Limited on March 21, 2007.

(18) *Transfer of 13,500 equity shares to Kanubhai N. Sanghvi, 13,000 equity shares to Lataben K. Mehta, 13,000 equity shares to Paresh N Shah, 11,500 equity shares to Mahendra M. Mistry, 17,500 equity shares to Nirmala P. Bhatt, 17,000 equity shares to Vanita Parekh, 12,540 equity shares to Rita R. Jasani, 12,000 equity shares to Kant A. Prajapait, 11,000 equity shares to Nayna V. Maniyar, 11,500 equity shares to Jayshree P. Shah, 14,500 equity shares to Chayya A. Parekh, 13,000 equity shares to Dilip S. Shah, 14,500 equity share to Kanakrai M. Shah, 13,500 equity shares to Jadhavji R. Bheda, 14,500 equity shares to Bharti U Prajapati by Manba Investments and Securities Private Limited on March 22, 2007.*

(19) *10,400 equity shares from Nirmala P Shah, 8,800 equity shares from Nirmala J. Bheda, 24,700 equity shares from Chaya A. Parekh, 8,800 equity shares from Chhotalal M Trivedi, 3,400 equity shares from Daksha J. Mehta, 6,800 equity shares Deepak R Shah, 2,800 equity shares from Dhansukh P Vasa, 6,000 equity shares from Dhansukh T Vasa, 22,600 equity shares from Urmila Prataprai Shah, 11,200 equity shares from Usha S Shah, 18,700 equity shares from Meena C Shah, 15,900 equity shares from Nathuben P Patel, 19,500 equity shares from Kumudben P. Shah 5,800 equity shares Kunjlata V Thakkar, 9,200 equity shares from Lata S Shah, 16,500 equity shares from Kala C Mehta, 26,000 equity shares from Sanjay Mehta, 22,700 equity shares from Rekha S Shah, 24,600 equity shares Rekha M Shah, 2,800 equity shares from Rimpal L Vakharia, 23,000 equity shares from Kalpana H. Patwa, 11,200 equity shares Rita M Shah, 16,500 equity shares from Kirit S Rawal, 18,000 equity shares from Kirti M Sidhpura, 20,000 equity shares from Shashikala M Doshi, 19,800 equity shares from Prafulla D Shah, 8,200 equity shares from Sheetal D Shah, 47,540 equity shares from Bhogilal A Shah, 10,600 equity shares from Prafulla R Chauhan, 11,200 equity shares from Shobhna D Thakkar, 10,600 equity shares from Pushpa M Mehta, 18,500 equity shares from Rajesh U Prajapati, 27,000 equity shares from Mansukh M. Mehta, 11,200 equity shares from Ragini C Trivedi, 5,800 equity shares from Ramesh D Rathod, 8,800 equity shares from Ramila V Shah, 24,100 equity shares from Rekha H Vora, 25,100 equity shares from Bharti U Prajapati, 10,000 equity shares from Ramniklal B Chauhan, 13,000 equity shares from Dilip S. Shah, 27,500 equity shares from Jadhavji R. Bheda, 17,500 equity shares from Jayshree P Shah, 8,700 equity shares from Jayshree N Shah, 16,500 equity shares from Kanakrai M Shah, 22,600 equity shares from Kanta A. Prajapati, 16,000 equity shares from Kanubhai N. Sanghvi, 13,000 equity shares from Lataben K. Mehta, 14,500 equity shares from Mahendra M. Mistry, 11,000 equity shares from Nayna V. Maniyar, 10,600 equity shares from Neepa B Mehta, 23,300 equity shares from Nirmala P. Bhatt, 21,000 equity shares from Paresh N Shah, 11,200 equity shares from Pradeep S Parekh, 17,340 equity shares from Rita R Jasani, 20,000 equity shares from Vanita Parekh, 25,000 equity shares from Anil K Sanghavi, 8,600 equity shares from Varsha P Parekh, 11,200 equity shares from Anila B Doshi, 35,600 equity shares from Maya S Rawal, 7,800 equity shares from Vibha M Mehta, 35,000 equity shares from Jyoti R Parmar, 11,000 equity shares from Vijay P Lakhani, 25,000 equity shares from Anjana H Mehta, 6,800 equity shares from Kailash D Shah, 2,800 equity shares from Aruna D Shah, 30,000 equity shares from Nayna D Shah, 7,800 equity shares from Aruna R Shah, 10,400 equity shares from Narayan M Mehta, 25,000 equity shares from Vijay N Sanghvi, 11,200 equity shares from Beena K Sindharta, 30,000 equity shares from Ramniklal Vora, 6,800 equity shares from Alka D Vasa, 10,200 equity shares from Bhanuben U Shah, 11,200 equity shares from Ranjan P Shah, 6,400 equity shares from Alka Jasani, 9,200 equity shares from Bharati P Shah, 9,200 equity shares from Bhavna H Sanghavi, 7,600 equity shares from Bhavna M Shah, 8,400 equity shares from Gunvantrai Mehta, 8,300 equity shares from Indira Shah, 11,200 equity shares from Jayaben R Sheth, 10,000 equity shares from Kamlesh P Shah, 11,200 equity shares from Kantaben L Shah, 8,000 equity shares from Kishore M Sanghavi, 5,800 equity shares from Kokila B Shah, 10,000 equity shares from Mahesh N Gohil, 8,400 equity shares from Mahesh P Mehta, 8,800 equity shares from Manubhai C Darji, 20,000 equity shares from Asha B Thakkar, 26,000 equity shares from Hiraben R. Shah, 22,000 equity shares from Naresh M. Prajapati, 26,000 equity shares from Ramaben V Parekh, 25,400 equity shares from Sangeeta H Patel, 6,000 equity shares from Alpesh R Shah, 6,000 equity shares from Anila H Vibhani, 6,900 equity shares from Arvind S Shah, 4,000 equity shares from Ashok B Chauhan, 6,000 equity shares from Bhanumati B Shah, 3,000 equity shares from Bharti R Sejpal, 6,000 equity shares from Bhartiben Gor, 2,000 equity shares from Bhavesh V Parekh, 6,000 equity shares from Bhupatrai N Seth, 14,400 equity shares from Bipin M Mehta, 10,000 equity shares from Chandrakant J Parikh, 3,500 equity shares from Chandrikaben Chauhan, 6,000 equity shares from Dalsukh P Shah, 5,000 equity shares from Deepak V Maniyar, 5,000 equity shares from Dhirajlal R Jethwa, 6,000 equity shares from Dipika K Sanghvi, 6,000 equity shares from Dipti B Sheth, 4,000 equity shares from Geeta A Prajapati, 2,000 equity shares from Hashmukh K Vibhani, 5,000 equity shares from Hasmukh M Shah, 5,000 equity shares from Himmatlal B Shah, 4,400 equity shares from Hitesh H Shah, 4,000 equity shares from Jatin A Joshi, 4,000 equity shares from Kailash K Shah, 10,000 equity shares from Kalpana S Doshi, 2,000 equity shares from Kanchan S Jasani, 4,000 equity shares from Kantilal K Shah, 5,000 equity shares from Karuna S. Doshi, 3,000 equity shares from Khimji M Chauhan, 4,000 equity shares from Kishore J Shah, 3,000 equity shares from Kishoriben H Bhatt, 4,000 equity shares from Kokila H Shah, 6,000 equity shares from Kundan P Mehta, 8,000 equity shares from Kusum P. Shah, 7,000 equity shares from Manish H Shah, 2,000 equity shares from Manish J Shah, 5,000 equity shares from Manish V Mehta, 6,000 equity shares from Manisha L Shah, 7,000 equity shares from Manisha N Rawal, 2,000 equity shares from Manjula A Chauhan, 4,000 equity shares from Meena K Chauhan, 6,000 equity shares from Meena K Shah, 4,000 equity shares from Minaxi K Shah, 8,000 equity shares from Mohanlal G Shah, 7,000 equity shares equity shares from Mukesh R Parmar, 2,000 equity shares from Mukesh V Mehta, 2,000 equity shares from Nalini N Dave, 5,500 equity shares from Natwarlal B Rawal, 2,000 equity shares from Nayna A Shah, 6,000 equity shares from Nilesh H Shah, 2,000 equity shares from Niruben A Shah, 6,000 equity shares from Niruben B Jani, 3,000 equity shares from Nisha D Shah, 6,000 equity shares from Nutan D Shah, 3,000 equity shares from Pankaj R Sanghvi, 3,000 equity shares from Prabhulal R Solanki, 3,000 equity shares from Pradeep K Shah, 6,000 equity shares from Pradeep P Shah, 4,000 equity shares from Pragnesh P Joshi, 4,000 equity shares from Pramila L Vakharia, 4,000 equity shares from Prataprai C Shah, 4,000 equity shares from Pratima S Shah, 6,000 equity shares from Pravinchandra B Doshi, 9,000 equity shares from Pushpa H Sanghvi, 7,000 equity shares from Rajesh P Shah, 2,000 equity shares from Ramaben D Shah, 2,000 equity shares from Ramesh B Parmar, 7,000 equity shares from Rameshchandra B Shah, 6,400 equity shares from Ranjana A Shah, 6,000 equity shares from Rekha D Maniyar, 4,000 equity shares from Renuka P Karia, 2,000 equity shares from Rita P Sanghvi, 6,000 equity shares from Sachin K Shah, 8,000 equity shares from Seema M Sidhpura, 3,400 equity shares from Shailesh J Rawal, 4,000 equity shares from Shirin N Dedhia, 7,000 equity shares from Shobhana U Seth, 2,000 equity shares from Silel T Shah, 3,000 equity shares from Sona D Shah, 4,000 equity shares from Suresh N Rawal, 6,000 equity shares from Suresh N Shah, 5,000 equity shares from Tarulata B Shah, 6,000 equity shares from Thakurlal A Shah, 6,000 equity shares from Umesh J Prajapati, 7,500 equity shares from Upendra R*

Sheth, 6,000 equity shares from Usha B Mehta, 6,500 equity shares from Vadilal M Shah, 4,000 equity shares from Vaishali V Shah, 6,000 equity shares from Varsha C Veera, 4,000 equity shares from Vasanti S Gada, 4,500 equity shares Yashoda R Mehta to Manba Investments and Securities Private Limited on May 24, 2010.

(20) Transfer of 600 equity shares to Dilip S. Shah and 500 equity shares to Kusum K. Raval by Manba Investments and Securities Private Limited on March 25, 2011.

(21) Transfer of 9,000 equity shares from Dhirajlal R. Jethwa 600 equity shares Dilip S. Shah, 500 equity shares Kusum K. Raval, 8,000 equity shares Meena H. Shah, 5,000 equity shares Yashoda R. Mehta to Manba Investments and Securities Private Limited on March 29, 2012.

(22) Transfer of 62,500 equity shares from Casper Enterprises Private Limited, Olive Overseas Private Limited, Atharv Business Private Limited, Duke Business Private Limited, Nakshtra Business Private Limited, Viraj Mercantile, respectively, to Manba Fincorp Private Limited on March 30, 2014.

***Notes**: The share transfer forms for all transfers of Equity Shares could not be traced as the relevant information was not available in the records maintained by our Company or our Promoter. For arriving at the details of the transfer, we have relied on alternative documents such as annual returns filed by our Company, board resolutions and the share transfer registers maintained by our Company. We have conducted internal searches and engaged an independent practising company secretary to conduct online search at the MCA Portal maintained by the Ministry of Corporate Affairs and physical search of RoC for these records. For further details, see "Risk Factors – Our Company was incorporated in the year 1996 and certain documents filed by us with the RoC are not traceable. While we have conducted a search with RoC, in respect of the availability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future.*

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

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

(b) **Details of Promoter's contribution and lock-in**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be considered as the minimum Promoters' contribution and, in view of the proposed objects of the Fresh Issue, is required to be locked-in for a period of eighteen (18) months from the date of Allotment ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% shall be locked in for a period of six (6) months from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for minimum Promoters' contribution for a period of eighteen (18) months, from the date of Allotment as Promoters' Contribution are set out below:[(1)]

Name of the Promoter	Number of Equity Shares locked-in	Date up to which Equity Shares are subject to lock-in	Date of Acquisition of Equity Shares and when made fully paid-up	Nature of transaction	Face value (₹)	Issue/Acquisition price per Equity Share (₹)	Pre-Issue Equity Share capital (%)	Post-Issue Equity Share capital (%)
Manba Investments and Securities Private Limited	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

(1) To be completed prior to filing of the Prospectus with the RoC.

The Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as the Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing the Draft Red Herring Prospectus until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. The Promoters' Contribution has been brought-in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations.

(c) Our Company undertakes that the Equity Shares that are being locked-in will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "*Capital Structure - Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares - Capital Build-up of our Promoters' Shareholding in our Company*" on page 89.

In this connection, we confirm the following:

i. The Equity Shares issued towards minimum Promoters' Contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

ii. Equity Shares issued towards minimum Promoters' Contribution have not been acquired by our Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price;

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

iv. The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

v. All the Equity Shares held by our Promoters are held in dematerialised form as on the date of the Draft Red Herring Prospectus.

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

In addition to the Promoter's Contribution which will be locked in for 18 (eighteen) months, as specified above, the entire pre – Issue Equity Share capital of our Company will be locked-in for a period of 6 (six) months from the date of Allotment, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations.

(e) **Lock-in of Equity Shares Allotted to Anchor Investors**

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

(f) **Other requirements in respect of lock-in**

Pursuant to Regulation 20 of the SEBI ICDR Regulations, details of locked-in Equity Shares will be recorded by relevant depositories.

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions or a systemically important NBFC or a housing finance company as collateral security for loans granted by such scheduled commercial bank or public financial institution or systemically important NBFC or housing company, provided that specified conditions under the SEBI ICDR Regulations are complied with. However, the relevant lock-in period shall continue pursuant to the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations. Pursuant to Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter of our Company and the Equity Shares held by any persons other than our Promoters, which are locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations, may be transferred to and among such other persons holding specified securities that are locked in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

7. **Equity Shareholding Pattern of our Company**

The table below presents the equity 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 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 (Equity Shares)	Class (Others)	Total								
(A)	Promoters and Promoter Group	9	3,76,69,410	-	-	3,76,69,410	100.00	3,76,69,410	-	3,76,69,410	100.00	-	-	-	-	-	-	3,76,69,410
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**9**	**3,76,69,410**	**-**	**-**	**3,76,69,410**	**100.00**	**3,76,69,410**	**-**	**3,76,69,410**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**3,76,69,410**

8. Details of the Shareholding of our Promoters and members of the Promoter Group

None of our Promoters and members of the Promoter Group hold any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below:

Sr. No.	Name of the shareholder	Pre-Issue		Post-Issue	
		Number of Equity Shares held	Percentage of the pre-Issue paid-up Equity Share capital (%)	Number of Equity Shares held	Percentage of the post-Issue paid-up Equity Share capital (%)
Promoters					
1.	Manish Kiritkumar Shah	65,59,848	17.41	[●]	[●]
2.	Nikita Manish Shah	50,04,270	13.29	[●]	[●]
3.	Manish Kiritkumar Shah (HUF)	22,14,846	5.88	[●]	[●]
4.	Monil Manish Shah	17,94,549	4.76	[●]	[●]
5.	Manba Investments and Securities Private Limited	1,39,06,038	36.92	[●]	[●]
6.	Avalon Advisory and Consultant Services Private Limited	24,95,700	6.63	[●]	[●]
7.	Manba Fincorp Private Limited	20,87,706	5.54	[●]	[●]
8.	Manba Infotech LLP	36,01,053	9.56	[●]	[●]
Promoter Group members					
9.	Mansi Hardik Shah (alias Mansi Manish Shah)	5,400	0.01	[●]	[●]
	Total	**3,76,69,410**	**100.00**	[●]	[●]

9. Details of the Shareholding of the Directors, Key Managerial Personnel and Senior Management as of the date of filing of this Draft Red Herring Prospectus

None of our Directors, Key Managerial Personnel and Senior Management hold any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below:

Sr. No.	Name of the shareholder	Number of Equity Shares	Percentage of the pre-Issue Equity Share capital (%)	Percentage of the post-Issue Equity Share capital (%)
1.	Manish Kiritkumar Shah	65,59,848	17.41	[●]
2.	Nikita Manish Shah	50,04,270	13.29	[●]
3.	Monil Manish Shah	17,94,549	4.76	[●]
	Total	**1,33,58,667**	**35.46**	[●]

10. Details of the Shareholding of the major Shareholders

(a) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as on the date of filing of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the pre-Issue equity share capital (%)
1.	Manish Kiritkumar Shah	65,59,848	17.41
2.	Nikita Manish Shah	50,04,270	13.29
3.	Manish Kiritkumar Shah (HUF)	22,14,846	5.88
4.	Monil Manish Shah	17,94,549	4.76
5.	Manba Investments and Securities Private Limited	1,39,06,038	36.92
6.	Avalon Advisory and Consultant Services Private Limited	24,95,700	6.63
7.	Manba Fincorp Private Limited	20,87,706	5.54
8.	Manba Infotech LLP	36,01,053	9.56
	Total	**3,76,64,010**	**99.99**

(b) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of ten days prior to filing this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the pre-Issue equity share capital (%)
1.	Manish Kiritkumar Shah	65,59,848	17.41
2.	Nikita Manish Shah	50,04,270	13.29
3.	Manish Kiritkumar Shah (HUF)	22,14,846	5.88
4.	Monil Manish Shah	17,94,549	4.76
5.	Manba Investments and Securities Private Limited	1,39,06,038	36.92
6.	Avalon Advisory and Consultant Services Private Limited	24,95,700	6.63
7.	Manba Fincorp Private Limited	20,87,706	5.54
8.	Manba Infotech LLP	36,01,053	9.56
	Total	**3,76,64,010**	**99.99**

(c) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of one year prior to filing this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the pre-Issue equity share capital (%)
1.	Manish Kiritkumar Shah	21,86,616	17.41
2.	Nikita Manish Shah	16,68,090	13.29
3.	Manish Kiritkumar Shah (HUF)	7,38,282	5.88
4.	Monil Manish Shah	5,98,183	4.76
5.	Manba Investments and Securities Private Limited	46,35,346	36.92
6.	Avalon Advisory and Consultant Services Private Limited	8,31,900	6.63
7.	Manba Fincorp Private Limited	6,95,902	5.54
8.	Manba Infotech LLP	12,00,351	9.56
	Total	**1,25,54,670**	**99.99**

(d) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of two years prior to filing this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the pre-Issue equity share capital (%)
1.	Manish Kiritkumar Shah	21,86,616	17.41
2.	Nikita Manish Shah	16,68,090	13.29
3.	Manish Kiritkumar Shah (HUF)	7,38,282	5.88
4.	Monil Manish Shah	5,98,183	4.76
5.	Manba Investments and Securities Private Limited	46,35,346	36.92
6.	Avalon Advisory and Consultant Services Private Limited	8,31,900	6.63
7.	Manba Fincorp Private Limited	6,95,902	5.54
8.	Manba Infotech LLP	12,00,351	9.56
	Total	**1,25,54,670**	**99.99**

1. Our Company, our Directors and the BRLM have not entered into any buy-back arrangements for purchase of Equity Shares to be allotted pursuant to the Issue.

2. As of on the date of this Draft Red Herring Prospectus, the BRLM and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

3. Our Company does not have any partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus and all Equity Shares allotted in the Issue will be fully paid-up at the time of allotment.

4. Except for the allotment of Fresh Issue, there will not be any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be, other than in connection with the Issue.

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

6. Our Promoters, any member of our Promoter Group, our Directors, or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

7. Except for Fresh Issue, our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/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 the issuance of any Equity Shares under the Issue.

8. As of the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options, debentures, loans or other instruments convertible into Equity Shares.

9. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and members of our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

10. No person connected with the Issue, including, but not limited to, the BRLM, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group and Group Companies, shall

offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

11. As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is 9.

12. Any oversubscription to the extent of 1% of the Issue size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalising the Basis of Allotment.

13. Our Company will ensure that there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue of up to 1,25,70,000 Equity Shares, aggregating up to ₹ [●] lakhs by our Company. Our Company proposes to utilize the Net Proceeds from the Issue towards augmenting our capital base to meet our Company's future capital requirements towards onward lending, arising out of the growth of our business and assets and towards general corporate purposes. Further, a portion of the proceeds from the Issue will be used towards meeting Issue Expenses. For further details, see "– *Issue Related Expenses*" below. Further, none of the objects of the Issue for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or agency.

Our Company proposes to utilize the Net Proceeds towards the following:

(a) Augmenting our capital base to meet our Company's future capital requirements towards onward lending; and
(b) General corporate purposes.

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

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

Net Proceeds

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

Particulars	Amount
Gross Proceeds from the Issue(1)	[●]
Less: Issue Related Expenses(2)	[●]
Net Proceeds of the Issue(1) (2)	[●]

(1) To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.
(2) The Issue related expenses shall vary depending upon the final Issue size and the allotment of Equity Shares.

Utilisation of Net Proceeds

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

(₹ in lakhs)

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

(1) To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. In compliance with Regulation 7(2) of the SEBI ICDR Regulations, the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, see "*Risk Factors – We propose to utilize the Net Proceeds of the Issue to augment capital base (Tier I) of our Company to meet future capital requirements arising out of the growth in our business. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds"* on page 57.

Proposed schedule of implementation and deployment of Net Proceeds

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

The fund deployment is based on current circumstances of our business, and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

Details of the Objects of the Issue

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

We are a NBFC in India and are registered with the RBI under Section 45 IA of the Reserve Bank of India Act, 1934, offering New Vehicle Loans, Used Cars Loans, Small Business Loans and Personal Loans.

Additionally, we maintain a minimum CRAR at all times. As per Restated Financial Statements, the CRAR of our Company as on March 31, 2023 was 27.02%. Further, as per Restated Financial Statements, the CRAR of our Company as on September 30, 2023 was 26.62%.

Capital Adequacy Ratio	For the six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Tier I Capital (%)	26.62%	27.02%	31.44%	27.31%
Tier II Capital (%)	Nil	Nil	Nil	Nil

The Net Proceeds will be utilised to increase our capital base to meet our future capital requirements towards onward lending which are expected to arise out of growth of our business and assets. We typically use our capital towards our Company's business and growth, including onwards lending, payment of operating expenditure, repayment and/or prepayment of outstanding liabilities and interest thereon as part of our business activities, capital expenditure towards scaling-up branch infrastructure and technology and other general corporate purposes.

General Corporate Purpose

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

Our management will have flexibility in applying ₹ [●] lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to meeting fund requirements which our Company may face in the ordinary course of business; strengthening marketing capabilities and brand building exercises; meeting ongoing general corporate contingencies; business requirements of our Company in the ordinary course of business towards salaries and wages, rent, administration expenses, upgrading our technology and maintenance, payment to creditors, advisory services; etc. or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount available under this head and the business requirements of our Company from time to time

Means of finance

The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our arrangements with the lenders. Our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of the management subject to applicable law. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

The entire requirement of funds towards the Object will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us 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 Issue or through existing identifiable internal accruals.

Issue related expenses

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

The estimated Issue expenses are as under:

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

**Issue expenses include goods and services tax, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus with the RoC.*
(1) Issue expenses are estimates and are subject to change.
(2) Amounts and Amounts as a % of the Total Issue Proceeds will be finalised and incorporated in the Prospectus on determination of the Issue Price including applicable taxes, where applicable.

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

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

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

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

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

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

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

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

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

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

The Selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

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

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

(6) Uploading charges/processing charges of ₹ [●] valid applications (plus applicable taxes) are applicable only in case of Bid uploaded by the members of the Syndicate, Registered Brokers, RTAs and CDPs: (a) for applications made by Retail Individual Bidders using 3-in-1 type accounts; and (b) for Non-Institutional Bids using Syndicate ASBA mechanism / using 3-in-1 type accounts. (In case the total processing charges payable under this head

exceeds ₹ [●] lakhs, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ [●] lakhs.)

Further the processing fees for Bid cum application forms which are procured by the Registered Brokers/ RTAs / CDPs and submitted to the SCSB for blocking shall be ₹[●] per valid Bid cum Application Form (plus applicable taxes).The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 issued by the SEBI, is provided by such banks.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Issue Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilisation of the Net Proceeds towards the Object, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by the Board.

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

Bridge financing facilities

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

Monitoring utilisation of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a monitoring agency to monitor the utilisation of the Net Proceeds prior to filing the Red Herring Prospectus. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay, in accordance with applicable law. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscals as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis, disclose to the Audit Committee the use and application of the Net Proceeds. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the object of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the Net proceeds of the Issue from the object of the Issue as stated above, until such time as the proceeds of the Issue have been fully utilised or the purpose for which the proceeds have been raised have been achieved. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee

Variation in the Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Object of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details, including justification for such variation and shall be published and placed on website of our Company, as required under the Companies Act, 2013 read with applicable rules. The Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, being the vernacular language of the jurisdiction where the Registered Office is situated. The Promoters and the controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising agency

The Object of the Issue has not been appraised by any bank or financial institution or any other independent agency.

Other confirmations

None of our Promoters, Promoter Group members, Directors, Key Managerial Personnel, Senior Management, Group Companies or any other parties with whom we have entered, or will enter, into related party transactions, will receive any portion of the Issue Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Issues Proceeds with our Promoters, Promoter Group members, Directors, Key Managerial Personnel, Senior Management, Group Companies or any other parties with whom we have entered, or will enter, into related party transactions.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to "*Risk Factors*", "*Our Business*", "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 196, 287, and 355, 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 as follows:

- Established relationships with Dealers
- Ability to expand to new underpenetrated geographies
- Access to diversified and cost-effective long-term borrowing
- Technology drive and scalable operating model with quick Turn Around Time (TAT) for loan processing
- Extensive collections infrastructure and processes leading to maintenance of our Company's asset quality
- Experienced Promoters and professional management team

For details, see "*Our Business – Our Competitive Strengths*" on page 196.

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 pages 287 and 349 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 Equity Share ("EPS") (face value of each Equity Share is ₹10):

Fiscal ended	Basic and Diluted EPS (in ₹)	Weight
March 31, 2023	4.40	3
March 31, 2022	2.59	2
March 31, 2021	2.49	1
Weighted Average	**3.48**	
September 30, 2023	4.46	

Notes:

i. The face value of each Equity Share is ₹ 10.

ii. Basic Earnings per share = Net profit after tax (loss after tax) as restated / Weighted average number of equity shares outstanding during the year.

iii. Diluted Earnings per share = Net profit after tax (loss after tax) as restated / 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.

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 the Financial Year ended March 31, 2023	**[●]***	**[●]***
Based on diluted EPS for the Financial Year ended March 31, 2023	**[●]***	**[●]***

**To be computed after finalisation of the Price Band.*

C. Industry Peer Group P/E ratio

Particulars	P/E Ratio (x)
Highest	27.72
Lowest	17.95
Average	24.16

Notes:

(1) The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below.

(2)P/E figures for the peers are computed based on closing market price as on March 5, 2024 on the BSE, divided by Basic EPS (on consolidated basis unless otherwise available only on standalone basis) based on the financial results of the respective company submitted to the Stock Exchanges

D. Industry Peer Group P/B ratio

Particulars	P/B Ratio (x)
Highest	5.31
Lowest	2.01
Average	3.56

Notes:

(1) The highest and lowest industry P/B shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/B of the peer set provided below.

(2) P/B figures for the peers are computed as closing market price of Equity Shares on the BSE on March 5, 2024, divided by NAV as on March 31, 2023 based on the financial results of the respective company submitted to the Stock Exchanges.

E. Return on Net worth ("RoNW")

Fiscal/Period ended	RoNW (in %)	Weight
March 31, 2023	9.84	3
March 31, 2022	6.42	2
March 31, 2021	6.60	1
Weighted Average	**8.16%**	**-**
September 30, 2023*	9.07%	

**Not Annualised*

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 as per Restated Financial Statements of Assets and Liabilities of the Company.*

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

Period ended	Amount (₹)
As on September 30, 2023	49.21
As on March 31, 2023	44.71
As on March 31, 2022	40.28
As on March 31, 2021	37.68
After the completion of the Issue	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
Issue Price	[●]*

Notes:

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

1. Net asset value per share= Net worth as restated / Weighted average number of equity shares as at year end.
2. Net Asset Value per Equity Share (NAV) is net worth as at the end of the relevant period divided by weighted average number of equity shares outstanding at the end of relevant period.

G. Key Performance Indicators

The tables below set forth the details of certain financial data based on our Restated Financial Information, certain non-GAAP measures and key performance indicators ("**KPIs**") that our Company considers have a bearing for arriving at the basis for Issue Price. All the financial data based on our Restated Financial Information, certain non-GAAP measures and KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated March 6, 2024.

Financial KPIs

A list of certain financial data, based on our Restated Financial Information is set out below for the indicated Fiscals:

(₹ in lakhs, unless otherwise specified)

Particulars	For the six months period ended September 30, 2023	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Capital				
Shareholder Equity	18,535.38	16,843.13	15,174.38	14,193.21
Capital Adequacy Ratio	26.62%	27.02%	31.44%	27.31%
Profitability				
Total Income	8,828.93	13,331.71	10,661.94	10,576.43
Interest income	7,401.74	12,496.17	9,397.99	9,665.27
Net Interest Income	3,865.50	6,954.22	4,758.84	4,598.66
Profit After Tax	1,680.36	1,658.01	974.02	936.33
NPA / Asset Quality				
Gross NPA (%)	3.90%	3.74%	4.94%	2.79%
Net NPA (%)	3.16%	3.14%	4.30%	2.37%
Earning per share				
Basic	4.46	4.40	2.59	2.49
Diluted	4.46	4.40	2.59	2.49

As certified by Venus Shah & Associates, Chartered Accountants pursuant to their certificate dated March 6, 2024 and has been included in "Material Contracts and Documents for Inspection – Material Documents" on page 451.

For reconciliation of certain non-GAAP measures, see *"Selected Statistical Information"* on page 270.

Operational KPIs

A list of our operational KPIs for the six months period ended September 30, 2023 and for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 are set out below:

Particulars	For the six months period ended September 30, 2023	As and for Fiscal		
		2023	2022	2021
Scale				
AUM	73,373.41	63,368.90	49,582.62	53,011.75
AUM Growth (%)	15.79%	27.80%	(6.47%)	3.93%
Capital				
Total Borrowings to Shareholder Equity ratio	3.51	3.54	2.60	2.85
Cost of Borrowings	5.67%	11.19%	11.61%	12.70%
Profitability				
Average Yield on Average AUM	10.83%	22.13%	18.32%	18.58%

Particulars	For the six months period ended September 30, 2023	As and for Fiscal		
		2023	2022	2021
Spread	5.15%	10.93%	6.71%	5.89%
NPA / Asset Quality				
Provision Coverage Ratio	19.00%	16.00%	13.00%	14.99%
Return Ratio				
Net Interest Income to Average AUM	43.78%	52.16%	44.63%	43.48%
Net Interest Margin	5.65%	12.31%	9.28%	8.84%
Operating Expenses to Average AUM	4.62%	9.76%	9.27%	8.12%
Credit cost to Average AUM	0.70%	1.47%	1.96%	1.48%
PAT to Average AUM	2.46%	2.94%	1.90%	1.80%
Return on Total Average Assets (%)	2.04%	2.46%	1.74%	1.72%
Return on Equity (%)	9.07%	9.84%	6.42%	6.60%
Distribution				
States	5	4	4	4
Locations	58	51	33	30
Productivity				
AUM/Location	1,265.06	1,242.53	1,502.50	1,767.06
AUM/Employee	63.58	76.63	74.79	85.50
Credit ratings				
CARE	BBB+/Stable*	BBB+/Stable	BBB+/Negative	BBB+/Negative
ACUITE	A- /Stable* A/ CE/ Stable	A- /Negative A/ CE/ Negative	A- /Negative A/ CE/ Stable	A- /Stable -
BrickWork Ratings	-	BBB+/Negative	BBB+/Stable	A/Stable BBB+/Stable
CRISIL	A+*	A+	A+	A+
INDIA Ratings	IND A2*	IND A2	IND A2	-

As certified by Venus Shah & Associates, Chartered Accountants pursuant to their certificate dated March 6, 2024 and has been included in "Material Contracts and Documents for Inspection – Material Documents" on page 451.
**Details as on the date of this Draft Red Herring Prospectus.*

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*" beginning on 196 and 355, respectively.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a period of one year from thedate of listing of the Equity Shares on the Stock Exchanges pursuant to the Issue, or for such other period as may be required under the SEBI ICDR Regulations.

Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/orfinancial 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 are 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. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these 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.

Explanations for certain financial data based on Restated Financial Information

Key Performance Indicator
(1) Shareholder Equity represents the sum of equity share capital and reserves and surplus as of the last day of the relevant fiscalyear.
(2) Capital Adequacy Ratio (%) as of the last day of the relevant fiscal year as reported by the company.
(3) Total Income as reported by the company refers to the summation of total revenue from operations and the other income.
(4) Net Interest Income represents total interest income minus total adjusted finance cost.
(5) Profit After Tax represents the profit for the period as reported.
(6) Gross NPA (%) represents the Gross NPA as of the last day or the relevant period, represented as a percentage of the Gross Loan Book.
(7) Net NPA % represents the Net NPA as of the last day or the relevant day or period to the net loan book as of the last day of the relevant period, represented as a percentage
(8) Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian AccountingStandard 33.
(9) Diluted EPS: Diluted EPS as reported by the company represents EPS as computed in accordance with Indian AccountingStandard 33.

Explanation for certain non-GAAP measures

Explanation for the KPIs

Key Performance Indicator
(1) AUM represents Advances under Management as disclosed by the company as of the last day of the relevant period.
(2) AUM Growth represents growth in AUM for the relevant period over AUM of the previous period.
(3) Total Borrowings to Shareholder Equity ratio represents total borrowings outstanding as on the last day of the period to total shareholder equity.
(4) Cost of Borrowings represents total interest expense divided by the average of sum borrowings, expressed as a percentage
(5) Average Yield on Average AUM represents the ratio of interest income on loan assets for a period to the average AUM for the period
(6) Spread represents difference of yield on advances and cost of funds for the company
(7) Provision Coverage Ratio represents total provisions created on Gross NPA for the period, as a percentage of total Gross NPAs as of the last day of the period
(8) Net Interest Income to Average AUM represents net interest income divided by average AUM, expressed as percentage
(9) Net Interest Income Margin represents net interest income divided by total income, expressed as percentage
(10) Operating Expenses to Average AUM represents operating expenses (sum of, Fee and commission expenses, Employee benefits expenses, Depreciation and amortization expense, impairment on financial instruments and Other expenses) divided by average AUM, expressed as percentage
(11) Credit cost to Average AUM represents impairment on financial instruments divided by average AUM, expressed aspercentage
(12) PAT to Average AUM represents profit after tax divided by average AUM, expressed as percentage
(13) Return on Total Average Assets (%) represents profit after tax divided by average total assets, expressed as percentage.

Key Performance Indicator
(14) Return on Equity (%) represents profit after tax divided by total shareholder equity, expressed as percentage.
(15) States represents the geographical presence of our Company by means of physical branches in the States of India
(16) Locations represents the geographical presence of our Company
(17) AUM/Location represents AUM divided by total number of locations
(18) AUM/Employee represents AUM divided by total number of employees
(19) Credit Ratings represents the long-term credit ratings of our Company's various borrowing facilities on the basis of theassessment by independent rating agencies.

H. Comparison of our KPIs with listed industry peers for the stub period ended September 30, 2023 and Financial Years included in the Restated Financial Information

The following table provides a comparison of the KPIs of our Company with our peer group. The peer group has been determined on the basis of companies listed on Stock Exchanges, whose business profile is comparable to our businesses in terms of our size and our business model:

Particulars	Manba Finance Limited				Baid Finserv Limited			
	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Scale								
AUM(1)	73,373.41	63,368.90	49,582.62	53,011.75	32,500.00	30,086.59	26,314.50	24,904.74
AUM Growth(2)(%)	15.79%	27.80%	(6.47%)	3.93%	8.02%	14.33%	5.66%	(7.06%)
Capital								
Shareholder Equity(3)	18,535.38	16,843.13	15,174.38	14,193.21	16,200.31	15,500.91	14,582.77	13,757.47
Capital Adequacy Ratio(4)	26.62%	27.02%	31.44%	27.31%	48.20%	50.70%	51.00%	47.40%
Total Borrowings to Shareholder Equity ratio(5)	3.51	3.54	2.60	2.85	1.19	1.10	1.10	1.19
Average Cost of Borrowings(6)	5.67%	11.19%	11.61%	12.70%	5.94%	10.70%	12.11%	13.65%
Profitability								
Total Income(7)	8,828.93	13,331.71	10,661.94	10,576.43	3,357.01	5,573.46	5,005.25	5,410.87
Net Interest Income(8)	3,865.50	6,954.22	4,758.84	4,598.66	1,665.92	3,359.09	2,999.16	2,923.99
Profit After Tax(9)	1,680.36	1,658.01	974.02	936.33	817.35	1037.89	878.72	747.95
Average Yield on Average AUM (10)	10.83%	22.13%	18.32%	18.58%	8.77%	18.18%	19.36%	20.62%
Spread(11)	5.15%	10.93%	6.71%	5.89%	2.83%	7.48%	7.25%	6.97%
Adjusted Finance Cost(12)	3,536.24	5,541.95	4,639.15	5,066.61	1,079.77	1,767.50	1,960.07	2,405.73
Return Ratio								

Particulars	Manba Finance Limited				Baid Finserv Limited			
	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net Interest Income to Average AUM (13)	5.65%	12.31%	9.28%	8.84%	5.32%	11.91%	11.71%	11.31%
Net Interest Margin(14)	43.78%	52.16%	44.63%	43.48%	49.63%	60.27%	59.92%	54.04%
Operating Expenses to Average AUM(15)	4.62%	9.76%	9.27%	8.12%	3.79%	8.54%	7.15%	7.64%
Credit cost toAverage AUM(16)	0.70%	1.47%	1.96%	1.48%	0.24%	1.93%	1.71%	1.28%
PAT to Average AUM(17)	2.46%	2.94%	1.90%	1.80%	2.61%	3.68%	3.43%	2.89%
Return on Total Average Assets (%)(18)	2.04%	2.46%	1.74%	1.72%	2.29%	3.15%	2.77%	2.28%
Return on Equity (%)(19)	9.07%	9.84%	6.42%	6.60%	5.05%	6.70%	6.03%	5.44%
NPA / Asset Quality								
Gross NPA(%)(20)	3.90%	3.74%	4.94%	2.79%	2.65%	2.91%	3.34%	3.51%
Net NPA (%)(21)	3.16%	3.14%	4.30%	2.37%	0.56%	0.64%	1.02%	1.61%
Provision Coverage Ratio(22)	19.00%	16.00%	13.00%	14.99%	NA	32.33%	25.59%	19.13%
Distribution								
States(23)	5	4	4	4	2	2	1	1
Locations(24)	58	51	33	30	40	37	32	NA
Productivity								
AUM/Location(25)	1,265.06	1,242.53	1,502.50	1,767.06	812.50	813.15	822.33	NA
AUM/Employee(26)	63.58	76.63	74.79	85.50	128.46	169.03	190.68	176.63
Earning per Share								

Particulars	Manba Finance Limited				Baid Finserv Limited			
	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Basic(27)	4.46	4.40	2.59	2.49	0.68	0.97	7.32	6.23
Diluted(28)	4.46	4.40	2.59	2.49	0.68	0.97	7.32	6.23
Credit Ratings(29)								
CARE	BBB+/Stable*	BBB+/Stable	BBB+/Negative	BBB+/Negative	BBB/Stable	BBB/Stable	-	-
ACUITE	A- /Stable*	A- /Negative	A- /Negative	A- /Stable	-	-	-	-
BrickWork Ratings	-	BBB+/Negative	BBB+/Stable	A/Stable BBB+/Stable	-	-	BBB/Stable	BBB/Stable
CRISIL	A+*	A+	A+	A+	-	-	-	-
India Rating Research	IND A2*	IND A2	IND A2	-	-	-	-	-
ICRA	-	-	-	-	-	-	-	-

Particulars	Arman Financial Services Limited				MAS Financial Services Limited			
	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Scale								
AUM(1)	2,30,400.00	1,94,293.00	1,23,322.00	81,438.00	9,54,707.00	8,51,345.88	6,56,700.00	5,65,700.00
AUM Growth(2)(%)	18.58%	57.55%	51.43%	(5.21%)	12.14%	29.64%	16.09%	(9.53%)
Capital								
Shareholder Equity(3)	46,966.76	36,569.05	21,268.60	18,675.97	1,64,466.00	1,51,865.00	1,31,751.88	1,17,988.07.
Capital Adequacy Ratio(4)	35.15%	32.61%	29.10%	48.80%	35.24%	38.53%	54.73%	43.45%
Total Borrowings to Shareholder Equity ratio(5)	3.87	4.21	4.54	3.78	4.08	3.87	3.27	2.93

Particulars	Arman Financial Services Limited				MAS Financial Services Limited			
	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Average Cost of Borrowings(6)	7.82%	13.72%	10.69%	11.15%	4.82%	9.75%	8.73%	9.21%
Profitability								
Total Income(7)	30,984.18	42,390.12	23,500.56	19,326.07	60,528.00	99,026.00	69,110.77	62,771.23
Net Interest Income(8)	15,039.49	21,482.41	13,123.56	10,819.45	20,698.00	34,726.09	26,303.31	23,244.18
Profit After Tax(9)	8,075.41	9,381.13	3,172.28	1,061.61	11,809.00	20,326.00	16,114.88	14,436.01
Average Yield on Average AUM (10)	24.42%	24.35%	21.54%	22.19%	5.65%	11.18%	9.84%	8.69%
Spread(11)	16.60%	10.63%	10.85%	11.04%	0.83%	1.44%	1.11%	(0.52%)
Adjusted Finance Cost(12)	13,131.78	17,189.62	8,933.15	7,744.68	30,338.00	49,600.91	33,864.30	28,484.48
Return Ratio								
Net Interest Income to Average AUM (13)	7.08%	13.53%	12.82%	12.93%	2.29%	4.61%	4.30%	3.90%
Net Interest Margin(14)	48.54%	50.68%	55.84%	55.98%	34.20%	35.07%	38.06%	37.03%
Operating Expenses to Average AUM(15)	6.09%	8.00%	9.78%	12.44%	1.58%	2.95%	2.22%	2.47%
Credit cost to Average AUM(16)	1.14%	2.82%	3.65%	6.52%	0.48%	0.71%	0.58%	1.31%
PAT to Average AUM(17)	7.00%	5.91%	3.10%	1.27%	1.31%	2.70%	2.64%	2.42%
Return on Total Average Assets (%)(18)	6.66%	5.72%	2.91%	1.16%	1.39%	2.84%	2.74%	2.89%
Return on Equity (%)(19)	17.19%	25.65%	14.92%	5.68%	7.18%	13.38%	12.23%	12.24%
NPA / Asset Quality								
Gross NPA(%)(20)	2.48%	2.70%	3.80%	6.70%	2.22%	1.96%	2.00%	1.52%

Particulars	Arman Financial Services Limited				MAS Financial Services Limited			
	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net NPA (%)[21]	0.23%	NA	NA	NA	1.30%	1.18%	1.15%	0.93%
Provision Coverage Ratio[22]	90.91%	94.39%	83.54%	84.77%	NA	NA	NA	NA
Distribution								
States[23]	10	8	8	7	7	7	6	6
Locations[24]	385	336	291	239	171	149	125	99
Productivity								
AUM/Location[25]	598.44	578.25	423.79	340.74	5,583.08	5,713.73	5,253.60	5,714.14
AUM/Employee[26]	68.13	69.27	51.11	43.11	376.91	418.35	378.50	368.53
Earning per Share								
Basic[27]	95.07	110.47	37.36	12.53	7.20	11.25	29.14	26.41
Diluted[28]	87.18	107.28	37.35	12.53	7.20	11.25	29.14	26.41
Credit Ratings[29]								
CARE	BBB+/Stable	BBB+/Stable	BBB+/Stable	BBB+/Stable	-	A+/Stable	A+/Stable	A+/Stable
ACUITE	A- /Stable	A- /Stable	A- /Stable	-	AA-/Stable	AA-/Stable	AA-/Stable	AA-/Stable
BrickWork Ratings	-	-	-	-	-	-	-	
CRISIL	-	-	-	-	-	-	-	-
India Rating Research	-	-	-	-	-	-	-	-
ICRA	-	-	-	-	-	-	A/Stable	-

**These are as on the date of filing the Draft Red Herring Prospectus.*

Notes:

(1) AUM represents Advances under Management as disclosed by the company as of the last day of the relevant period.
(2) AUM Growth represents growth in AUM for the relevant period over AUM of the previous period.
(3) Shareholder Equity represents the sum of equity share capital and reserves and surplus as of the last day of the relevant fiscal year.
(4) Capital Adequacy Ratio (%) as of the last day of the relevant fiscal year as reported by the company.
(5) Total Borrowings to Shareholder Equity ratio represents total borrowings as on the last day of the period to total shareholder equity.
(6) Average cost of borrowings represents finance cost for the relevant period as a percentage of Average Borrowings in such period.
(7) Total Income as reported by the company refers to the summation of total revenue from operations and the other income.
(8) Net Interest Income on loans represents interest income on loan book less finance costs, for the relevant period.
(9) Profit After Tax represents the Profit for the period as reported.
(10) Average Yield on Average AUM represents the ratio of interest income on loan assets for a period to the average AUM for the Period
(11) Spread represents difference of yield on advances and cost of funds for the company.
(12) Adjusted Finance Cost represents aggregate of finance costs excluding interest on lease liabilities for the relevant period
(13) Net Interest Income to Average AUM represents net interest income divided by average AUM, expressed as percentage.
(14) Net Interest Income Margin represents net interest income divided by total income, expressed as percentage.
(15) Operating Expenses to Average AUM represents operating expenses (sum of, Fee and commission expenses, Employee benefits expenses, Depreciation and amortization expense, impairment on financial instruments and Other expenses) divided by average AUM, expressed as percentage.
(16) Credit cost to Average AUM represents our Credit Cost for a period to the Average AUM for the period
(17) PAT to Average AUM represents profit after tax divided by average AUM, expressed as percentage.
(18) Return on Total Average Assets (%) represents profit after tax divided by average total assets, expressed as percentage.
(19) Return on Equity (%) represents profit after tax divided by total shareholder equity, expressed as percentage.
(20) Gross NPA (%) represents the Gross NPA as of the last day or the relevant period, represented as a percentage of the Gross Loan Book.
(21) Net NPA % represents the Net NPA as of the last day or the relevant day or period to the net loan book as of the last day of the relevant period, represented as a percentage
(22) Provision Coverage Ratio represents total provisions created on Gross NPA for the period, as a percentage of total Gross NPAs as of the last day of the period
(23) States represents the geographical presence of the company by means of physical branches in the States of India.
(24) Locations represents the geographical presence of the Company.
(25) AUM/Location represents AUM divided by total number of locations.
(26) AUM/Employee represents AUM divided by total number of employees.
(27) Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 33.
(28) Diluted EPS: Diluted EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 33.
(29) AUM for MAS Financial Services Limited is taken from Credit rating and Annual reports which is published on Company's website.
(30) EPS for MAS Financial Services Limited for FY 23 and half year ending September 30, 2023 is after giving effect of Bonus share.

For further details of our Company’s credit ratings as on the date of this Draft Red Herring Prospectus, for six months period ended September 30, 2023 and Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021, see “*Management’s Discussion and Analysis of Financial Condition and Result of Operations*” on page 355.

I. Comparison with Listed Industry Peers

The peer group of the Company has been determined on the basis of companies listed on Stock Exchanges, whose business profile is comparable to our businesses in terms of our size and our business model:

Name of the Company	Revenue from operations (₹ in lakhs)	Face Value (₹)	P/E	P/B	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
Manba Finance Limited	13,331.71	10.00	[●]	[●]	4.40	9.84%	44.71
Baid Finserv Limited (Standalone)	5,573.46	2.00	26.80	2.01	0.97	6.70%	12.91
Arman Financial Services Limited (Consolidated)	42,390.12	10.00	17.95	5.31	110.47	25.65%	373.64
MAS Financial Services Limited (Consolidated)	98,783.00	10.00	27.72	3.37	11.25	13.38	92.61

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis unless otherwise available only on standalone) and is sourced from the filings made with stock exchanges available on the BSE for the Financial Year ended March 31, 2023.
Source for Manba Finance Limited: Based on the Restated Financial Statements for the year ended March 31, 2023.

Notes:

i. *P/E Ratio has been computed based on the closing market price of equity shares on March 5, 2024, divided by the Basic EPS.*
ii. *Return on Net Worth (%) = Net profit after tax, as restated / Average Net worth as restated as at year end*
iii. *Net worth has been computed as sum of paid-up share capital and other equity.*
iv. *NAV is computed as the closing net worth divided by the closing outstanding weighted average number of equity shares.*

J. Weighted average cost of acquisition ("WACA")

(a) Price per share of our Company based on primary/ new issue of shares (Equity Shares or convertible securities), excluding issuance of Equity Shares, pursuant to a bonusissue) 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 our Company (calculated based on the pre-issue capital before such transaction/s) in a single transaction or multiple transactions combined together over a span of rolling 30 days; and

NIL

(b) Price per share of Issuer Company based on secondary sale / acquisition of shares (equity/convertible securities), where promoter / promoter group entities or shareholders having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of the DRHP / RHP, where either acquisition or sale is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days

NIL

(c) Since there are no transactions to report under J(a) and J(b) above, the following are the details basis the last five primary and secondary transactions (secondary transactions where Promoter, Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of the Company, are a party to the transaction), during the three years preceding the date of this DraftRed Herring Prospectus, irrespective of the size of transactions:

Primary transactions:

Name of acquirer	Nature of consideration	Date of acquisition/ allotment / transfer	Face Value (₹)	No. of shares acquired/ allotted	Acquisition price per share (including securities premium) (₹)	Reason for allotment/ transfer	Total Cost
Manish Kiritkumar Shah	NA	January 17, 2024	10.00	43,73,232	NIL	Bonus issue	NIL
Nikita Manish Shah			10.00	33,36,180			
Manish Kiritkumar Shah (HUF)			10.00	14,76,564			
Mansi Hardik Shah (alias Mansi Manish Shah)			10.00	3,600			
Monil Manish Shah			10.00	11,96,366			
Manba Investments and Securities Private Limited			10.00	92,70,692			
Avalon Advisory and Consultant Services Private Limited (erstwhile Manba Broking Services Private Limited)			10.00	16,63,800			
Manba Fincorp Private Limited			10.00	13,91,804			
Manba Infotech LLP			10.00	24,00,702			
			Total	**2,51,12,940**			

Secondary acquisition:

There have been no secondary transactions where our Promoter, members of the Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of the Company, are a party to the transaction, in the last three years preceding the date of this Draft Red HerringProspectus.

K. Weighted average cost of acquisition, floor price and cap price

Based on the above transactions (set out in point H above), below are the details of the WACA, as compared to the Floor Price and the Cap Price:

Past Transactions	WACA	Floor Price	Cap Price
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock optionsgranted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA	NA
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares (equity/convertible securities), where promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in our Board area party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, whereeither acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA	NA
If there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either issuance or acquisition/ sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital beforesuch transaction/s and excluding employee stock options granted but not vested), the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoter /promoter group entities or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, during the last three years preceding to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction			
(a) Based on primary transactions	Nil	Not Defined	Not Defined
(b) Based on secondary transactions	NA	NA	NA

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 BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

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 33, 196, 287 and 355, respectively, to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

Date: February 6, 2024

To,
The Board of Directors
Manba Finance Limited
324, Runwal Heights Commercial Complex,
LBS Marg, Opp, Nirmal Lifestyle
Mulund West,
Mumbai-400080

Sub: Statement of possible special tax benefits available to Manba Finance Limited, and its shareholders prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. This certificate is issued in accordance with the terms of our engagement letter dated February 6, 2024.

   We hereby confirm that enclosed statement ("**Statement**") in the Annexure prepared and issued by the Company, initialed by us for identification purposes, states the possible special tax benefits under the Income-tax Act, 1961 ('**Act'**) presently in force in India as on the signing date viz. the Income-tax Act, 1961, the Income-tax Rules, 1962, ('**Rules**'), regulations, circulars and notifications issued thereon and under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("**GST Acts**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**"), as amended by the Finance Act 2023 including the relevant rules, notifications and circulars issued there under available to the Company, and its shareholders.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('**SEBI ICDR Regulations'**). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement. Any benefits under the Taxation Rules / Act other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement.

3. Our views are based on the existing provisions of law 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.

4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

5. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this Statement 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 possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

6. We conducted our examination of the information given in the Statement in accordance with the '*Guidance Note on Reports or Certificates for Special Purposes*' issued by the Institute of Chartered Accountants of India ("**ICAI**"), as revised from time to time; the aforesaid 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.

7. 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.

8. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

9. We do not express any opinion or provide any assurance whether:

   - The Company, and its shareholders will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met; and
   - The revenue authorities/courts will concur with the views expressed herein.

10. The contents of the enclosed 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. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non- tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

11. We hereby give consent to include this Statement in the Draft Red Herring Prospectus and in any other material used in connection with the Proposed Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in the Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

Yours faithfully,

For **Venus Shah & Associates**
Chartered Accountants
Firm Registration Number: 120878W

Partner
Membership No.: 109140
Place: Mumbai
Date: February 6, 2024
UDIN: 24109140BKFTIZ2297

Encl: Annexure

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO MANBA FINANCE LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS

Outlined below are the possible Special Tax Benefits available to the Company, and its shareholders under the Income Tax Act, 1961 presently in force in India. (i.e. applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25 till the signing date of this annexure) It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Under the Income Tax Act, 1961 ('the Act')

1. Special tax benefits available to the company under the Act

Section 115BAA of the Act: Corporate Tax Rate as per new tax regime

- Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for tax rate of 22% plus surcharge @ 10% and health and education cess @ 4% (effective tax rate of 25.168%) for the financial year 2019-20 and onwards, provided the total income of the company is computed without claiming certain specified deductions and specified brought forward losses and claiming depreciation determined in the prescribed manner.

- In case a company opts for section 115BAA, provisions of Minimum Alternate Tax (MAT) would not be applicable and earlier years' MAT credit will not be available for set – off.

- The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other subsequent assessment year.

Further, if the conditions mentioned in section 115BAA are not satisfied in any financial year, the option exercised shall become invalid for assessment year in respect of such financial year and subsequent assessment years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

- The company has represented to us that they have opted for tax regime under section 115BAA of the Act for AY 2020-2021 and onwards.

Section 80JJAA of the Act: Deduction in respect of employment of new employees

- In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a financial year, for 3 consecutive assessment years including the assessment year relevant to the financial year in which such additional employment cost is incurred.

- Additional employee cost means the total emoluments paid or payable to additional employees employed in the financial year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower effective tax rate of 25.168% as per the provisions of section 115BAA of the Act (as discussed above).

- The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of section 80JJAA of the Act and satisfies the conditions as mentioned in the said section.

Section 80M of the Act: Deduction in respect of inter-corporate dividends

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

  Deduction under section 36(1)(viia) of the Act

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

  - 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 Act, then subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Act would be reduced to the extent of deduction already claimed under section 36(1)(viia) of the Act

  - It must be noted that as per CBDT instruction 17-2008 dated 26 November 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 Act.

  - As per section 41(4) of the Act, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1)(vii) of the 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 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 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's for computation of total income. Until FY 2022-23, a systemically important non-deposit taking non-banking financial company could claim benefit of this section by virtue of Explanation (h) to Section 43D of the Act. As per the amendment made vide Finance Act 2023, the said provisions shall be applicable to such class of NBFCs as may be notified by the Central Government in the Official Gazette.

  Recently, CBDT vide circular no. 79/2023 dated 22 September 2023 has notified the following classes of NBFCs for the purposes of section 43D, namely:

  a) all NBFCs classified in the Top Layer
  b) all NBFCs classified in the Upper Layer
  c) all NBFCs classified in the Middle Layer.

2. **Special tax benefits available to the shareholders under the Act**

There are no special tax benefits available to the Shareholders for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.

As per Section 112A of the IT Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 1,00,000.

As per Section 111A of the IT Act, short term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfillment of prescribed conditions under the IT Act.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Notes:

- These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income-tax consequences that apply to them.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Outlined below are the possible tax benefits available to the Company and its shareholders under the Indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2023-24, presently in force in India.

UNDER THE INDIRECT TAX

BENEFITS TO THE COMPANY UNDER VARIOUS INDIRECT TAX LAWS:

1. **Special tax benefits available to the Company**

- As per the GST law (vide GST notification no 12/2017-Central Tax (Rate) dated 28 June 2017), income earned out of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount is exempted from payment of GST. Thus, interest income earned by NBFCs is exempted from payment of GST.

- Further, in accordance to the provisions of the GST law, every registered person is required to reverse input tax credit attributable to the exempt income (arrived by determining the ratio of exempt income over total income). However, in the purview of Sub-Section (4) of Section 17 of CGST Act, the NBFC are given an option to reverse merely 50% of their total eligible input tax credit

2. Special Tax Benefits available to the Shareholders of the Company

There are no possible special indirect tax benefits available to the Shareholders.

Notes:

1. This Statement covers only certain relevant Indirect tax law benefits and does not cover any other benefit under any other law.
2. These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Indirect Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
3. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.
5. The above views are based on the existing provisions of 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.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

*The industry and market data set forth in this Draft Red Herring Prospectus has been obtained or derived from "Industry Report on NBFC Sector in India" dated November 2023 prepared and released by CRISIL Limited and exclusively commissioned and paid by our Company for an agreed fee (the "**CRISIL Report**") for the purposes of confirming our understanding of the industry in connection with the Issue and it is available on our Company's website at www.manbafinance.com/investor-relation/.CRISIL Limited was appointed by our Company on October 30, 2023.*

CRISIL Limited has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

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 publications are also prepared based on information as at 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. For details of risks in relation to the CRISIL Report, see "Risk Factors – This Draft Red Herring Prospectus contains information from third parties and from the CRISIL Report prepared by CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 60.

Macroeconomic Scenario

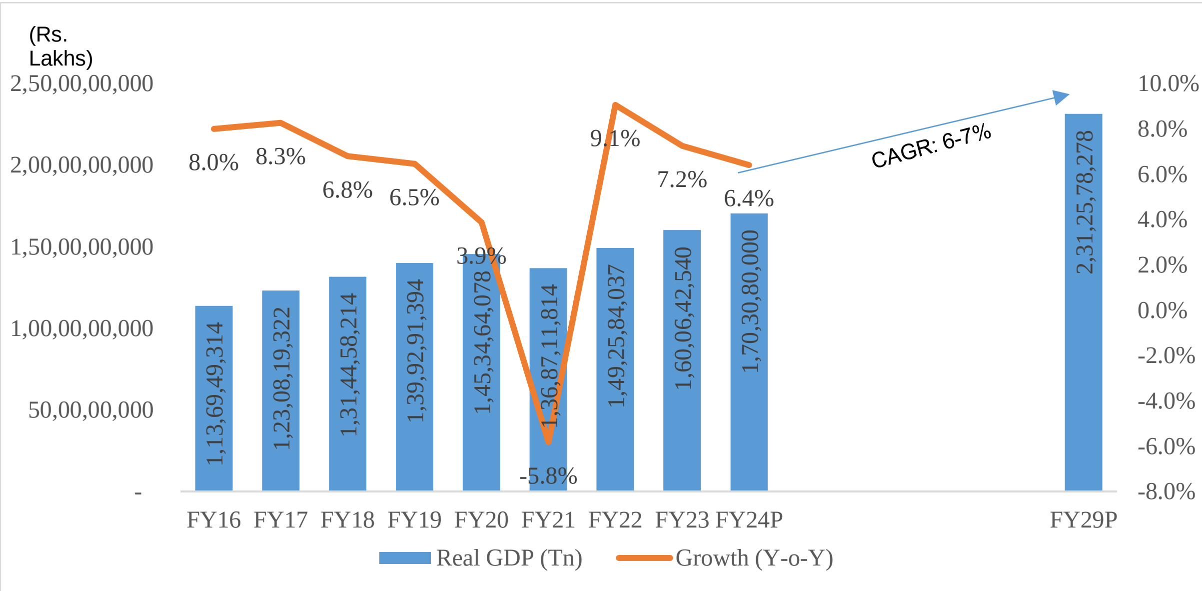
India to remain one of the fastest growing economies amid global slowdowns

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 geopolitical instability, 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 International Monetary Fund (IMF), in its October 2023 economic outlook update, revised its India economic growth forecast in real terms for the current fiscal to 6.3% from previous 6.1% estimate in July 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 and 2.9% 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.

CRISIL MI&A expects growth outlook for Fiscal 2024 to be fettered with multiple risks including sluggish exports and lagged impact of rate hikes manifested fully into the economy. Nevertheless, India is expected to remain the fastest growing economy in the world with GDP growth of 6.4% projected in Fiscal 2024 as per CRISIL MI&A.

India's economy to grow at 6.4% in fiscal 2024

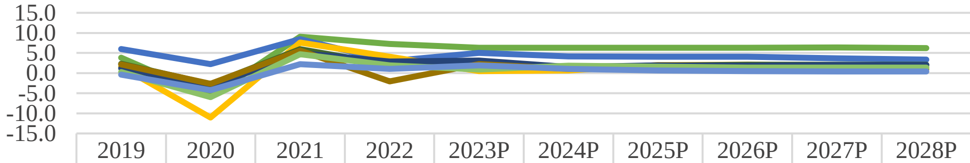


Note: P = Projected; GDP growth till fiscal 2023 is actuals. GDP Projections for fiscals 2023- 2024 is projected based on CRISIL MI&A estimates and that for fiscals 2025-2028 based on IMF estimates.

Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – October 2023 update)

Over the past three fiscals, Indian economy has outperformed its global counterparts by witnessing a faster growth. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

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



	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P	2028P
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
United Kingdom	1.6	-11.0	7.6	4.1	0.5	0.6	2.0	2.1	1.8	1.5
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Russia	2.2	-2.7	5.6	-2.1	2.2	1.1	1.0	1.0	1.0	1.0
South Africa	0.3	-6.0	4.7	1.9	0.9	1.8	1.6	1.4	1.4	1.4
Japan	-0.4	-4.2	2.2	1.0	2.0	1.0	0.7	0.5	0.4	0.4

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years, P: Projected; Source: IMF (World Economic Outlook – October 2023 update), CRISIL MI&A

Indian economy to be a major part of world trade

Along with being one of the fastest growing economies in the world, India ranked fifth in the world in terms of nominal GDP for 2023 according to IMF forecasts (World Economic Outlook -April Update). India overtook United Kingdom to become the fifth largest economy in the world in CY2022. In terms of purchasing power parity ("PPP"), India is the third largest economy in the world, only after China and the United States.

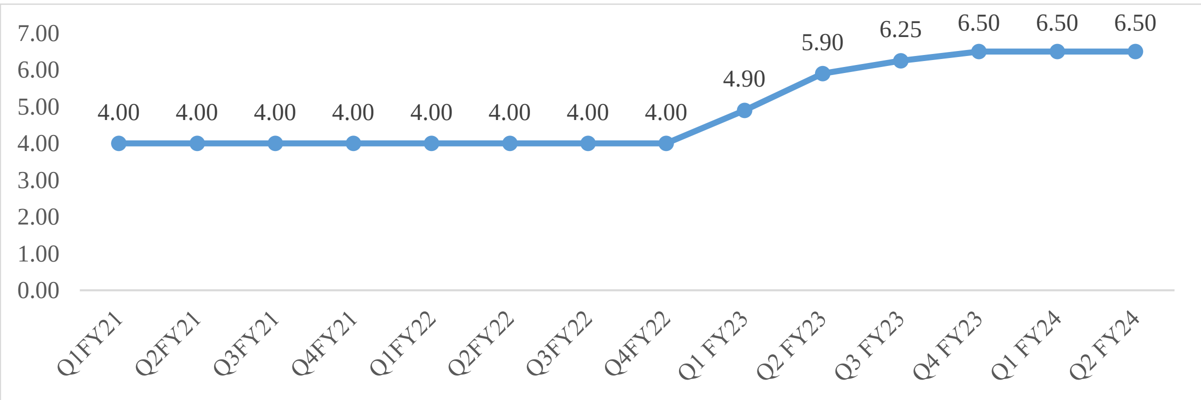
Financial conditions stabilize, broader economy to face elevated rates

The RBI's Monetary Policy Committee (MPC) is expected to be on an extended pause for the next few meetings, as it evaluates the inflation trajectory and growth momentum. The impact of past rate hikes on growth will be the most prominent in the current fiscal. As growth slows, CRISIL MI&A expects RBI to initiate rate cuts in the last quarter of fiscal 2024. While the pause on rate hikes has augured well for financial markets, elevated bank lending rates could tighten financial conditions for some segments of the economy which could ease down subsequently basis the direction of the economy.

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

In fiscal 2023, the Reserve Bank of India (RBI) raised the repo rate by 90 basis points ("bps") in Q1, and since then, it has continued to increase every quarter. By Q2 of fiscal 2024, the repo rate reached 6.50 per cent, which signifies a substantial increase of 250 bps from Q1 of fiscal 2023. The initial rate hike occurred in May 2022, when the central bank's rate-setting panel unanimously raised the benchmark lending rate by 40 bps. However, the repo rate remains unchanged in Q2 of fiscal 2024 as compared to Q4 of fiscal 2023.

Repo rate in India (%)



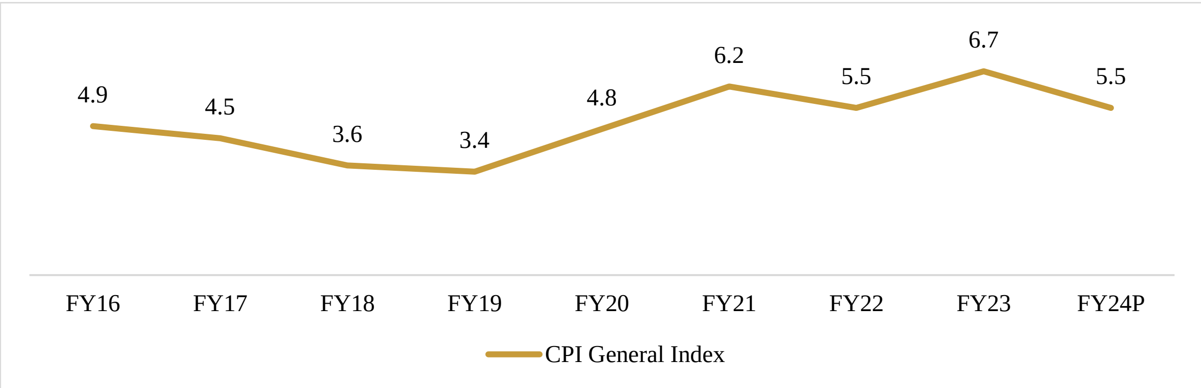
Source DBIE RBI, CRISIL MI&A

Consumer Price Index ("CPI") inflation to average at 5.5% in Fiscal 2024

CPI based inflation softened to 6.8% in August after surging to 7.4% in July aided by lower food inflation. While the non-food components stayed unchanged, a slight moderation in food inflation pulled down the headline number. Inflation in all commonly constructed non-food CPI categories remained low and unchanged from July: non-food CPI at 4.8%, core CPI (excluding food and fuel) at 4.9%, services CPI at 4.5% and core CPI goods (excluding food and services) at 5.1%.

Food inflation eased to 9.9% from 11.5% led by some cooling of inflation in vegetables, cereals, pulses and milk. Fuel inflation increased marginally from 3.7% in July to 4.3% in August led by high electricity inflation. Core inflation which has been a major concern in Fiscal 2023, cooled to 4.9% in July and remained the same in August. Since August's monetary policy, CPI inflation breached the MPC's upper tolerance band of 6.0%, averaging 7.1% in July-August driven by sharp increases in food inflation over the two months. CRISIL MI&A expects CPI inflation to average 5.5% in Fiscal 2024 from 6.7% in Fiscal 2023 on the assumption of a normal monsoon. In the coming months, the key monitorable for food inflation is expected to be the progress of monsoon given the El Niño risk. Core inflation, the pain point for the RBI due to its stickiness, should see limited easing as producers continue to pass on input costs. For Fiscal 2024, CRISIL MI&A expects CPI inflation to come down, averaging 5.5% on-year, within the RBI's target range of 4-6%. A combination of three factors — impact of rising interest rates on domestic demand, a global demand slowdown leading to falling international commodity prices, and the base effect — should lead to lower inflation.

Inflation to moderate to 5.5% in Fiscal 2024



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

Macroeconomic outlook for Fiscal 2024

Macro variables	FY23	FY24P	Rationale for outlook
GDP (y-o-y)	7.2%	6.4%	Slowing global growth is likely to weaken India's exports in Fiscal 2024. Domestic demand could also come under pressure as Reserve Bank of India (RBI) rate hikes are transmitted to consumers. Despite the lower forecast, India continuous to grow at highest rate in world.
Consumer price index (CPI) inflation (y-o-y)	6.7%	5.5%	Lower commodity prices, base effect, and cooling off domestic demand is likely to help in moderating inflation in Fiscal 2024.
10-year Government security yield (Fiscal end)	7.4%	7.0%	A moderate increase in gross market borrowings is budgeted for Fiscal 2024. This, coupled with lower inflation, is likely to moderate yields in Fiscal 2024.
CAD (Current account balance)/GDP (%)	-2.0%	-1.8%	Lower commodity prices, especially in energy space and support from healthy services exports is expected to lead to moderation of trade deficit in Fiscal 2024

Macro variables	FY23	FY24P	Rationale for outlook
Rs/$ (March average)	82.3	83.0	While a lower current account deficit (CAD) will support the rupee, challenging external financing conditions will continue to exert pressure in the next Fiscal. However, the overall impact on the rupee is expected to remain below the levels indicated by current forward premiums for the year.

Note: P – Projected
Source: Reserve Bank of India (RBI), National Statistics Office (NSO), CRISIL MI&A

Positive government measures to aid economic growth for India

Going forward, CRISIL MI&A expects India's gross domestic product (GDP) growth to decelerate to 6.4% in Fiscal 2024 from 7.2% in Fiscal 2023 due to a global slowdown, monetary policy impact and volatile geopolitical scenario. However, some optimism can be seen in form of moderating consumer inflation, capital and productivity increases aided by better physical and digital infrastructure.

CRISIL MI&A expects this growth to be supported by the following factors:

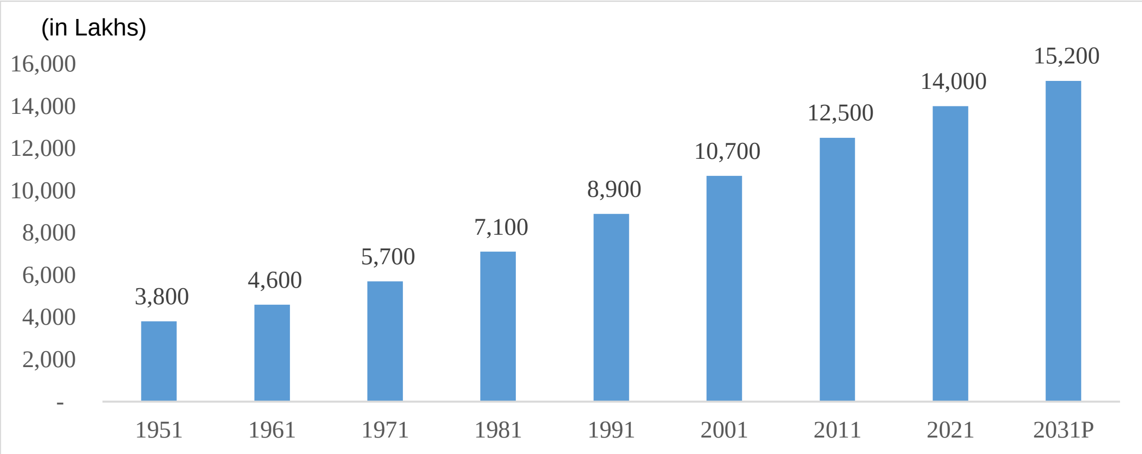
- The Union Budget 2023-24 announced by Finance Minister highlighted that the government has set 7 priorities – Inclusive Development, Reaching the last mile, Infrastructure and Investments, Unleashing the Potential, Green Growth, Youth power and Financial Sector, which they called '**Saptarshi'**, which will strive to turn India into a developed country.
- One key area of announcement was towards Support in technological advancement would promote financial inclusion, ensure better availability of customer data, enable faster and secure sharing of documents with financial institutions and increase rural penetration. This will in turn is expected lead to improving efficiency in terms of operating and credit cost for financial institutions.
- The increase in aggregate budgetary support for infrastructure by 17% to reach Rs. 125,000,000 lakh lays emphasis on the broad plan for infrastructure spending by the Government that is expected to give a push to economic growth. The railways capex has been increased by 15% over fiscal 2023 and capex for roads and highways was increased by 25% over fiscal 2023. These capex initiatives are expected to drive economic growth.
- Production linked incentive (PLI) scheme, which aims to incentivise local manufacturing by giving volume-linked incentives, has been launched by the government for six of India's top 10 export verticals, which is likely to propel incremental exports. In Fiscal 2024, PLI-driven exports will be the lone growth driver for India, helping improve the overall export growth to 2-4%.
- Government has launched two key initiatives to promote financial inclusion, Pradhan Mantri Jan Dhan Yojna (" PMJDY") and Pradhan Mantri Jeevan Jyoti Bima Yojna ("PMJJBY"), under PMJDY it aims to ensure a bank account in every household to avail all financial services. Under PMJJBY, one year life insurance is offered with a life cover of Rs. 2 lakhs at a premium of Rs. 330 per annum per member, which can be renewed every year.
- Focus on investments rather than consumption push enhancing the productive capacity of the economy. Policy pushes and new age opportunities to lead capex growth in Fiscal 2024.
- Policies aimed towards greater formalisation of the economy, which are bound to lead to an acceleration in per capita income growth.

Key growth drivers

India has the world's largest population

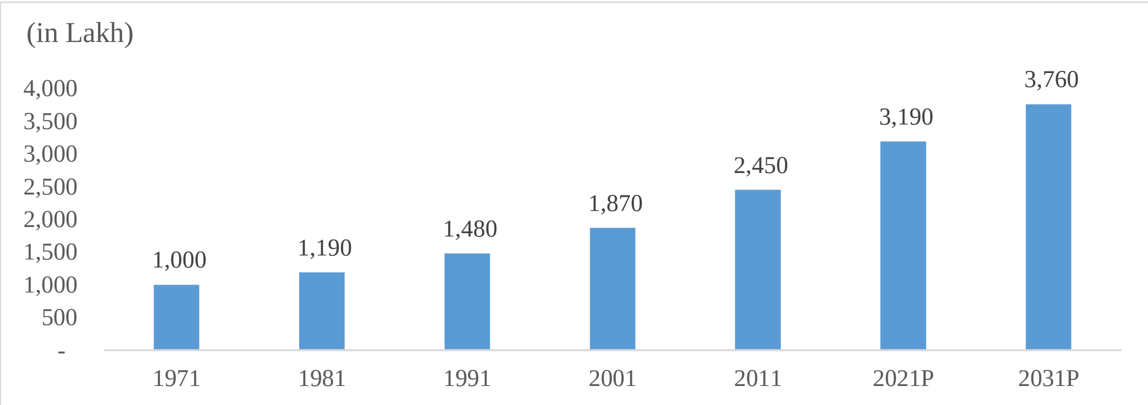
As per Census 2011, India's population was ~12,500 lakh, and comprised nearly 2,450 lakh households, is expected by CRISIL MI&A to increase at 1.1% CAGR between 2011 and 2021, to 14,000 lakh and 15,200 lakh by 2031, and the number of households are expected to reach ~3,760 lakh over the same period.

India's population growth trajectory



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

Number of households in India

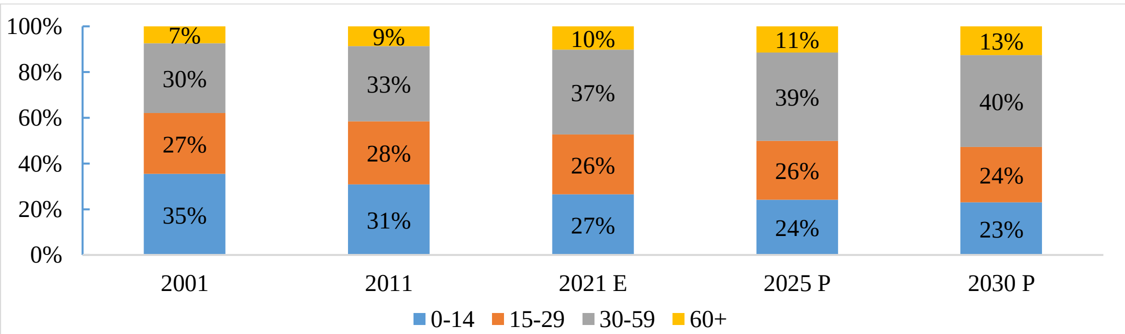


Note: As at the end of each Fiscal. P: Projected
Source: Census India, CRISIL MI&A

Favourable demographics

As of calendar year 2022, India has one of the largest young populations in the world, with a median age of 28 years. CRISIL MI&A estimates that approximately 90% of Indians are still below the age of 60 in calendar year 2021 and that 63% of them are between 15 and 59 years. In comparison, in calendar year 2020, the United States (US), China and Brazil had 77%, 83% and 86%, respectively, of their population below the age of 60.

India's demographic dividend

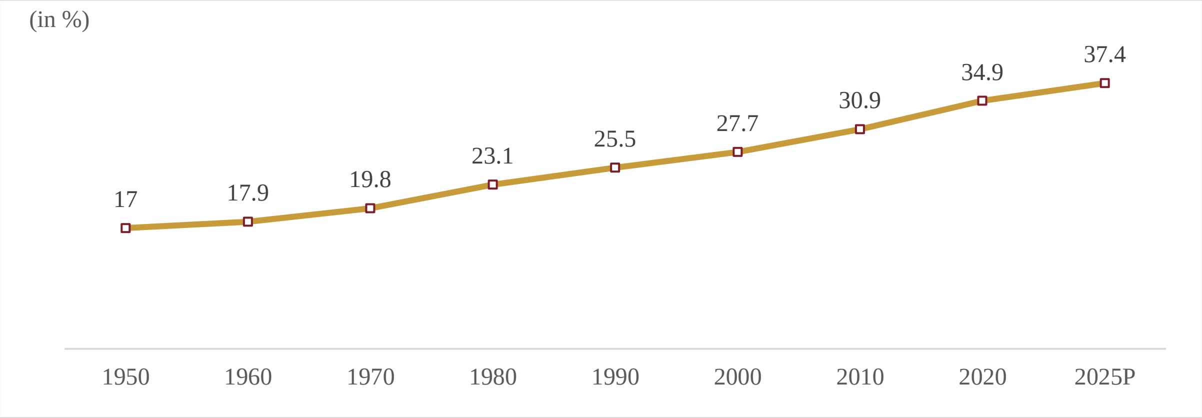


Note: E: Estimated, P: Projected; Source: United Nations Department of Economic and Social affairs, CRISIL MI&A

Urbanization

Urbanization is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development. India's urban population has been rising consistently over the decades. (Source: Word Urbanization Prospects). As per the 2018 revision of World Urbanization Prospects, it was estimated at 34.9% for India. According to the World Urbanization Prospects, the percentage of population residing in urban areas in India is expected to increase to 37.4% by 2025.

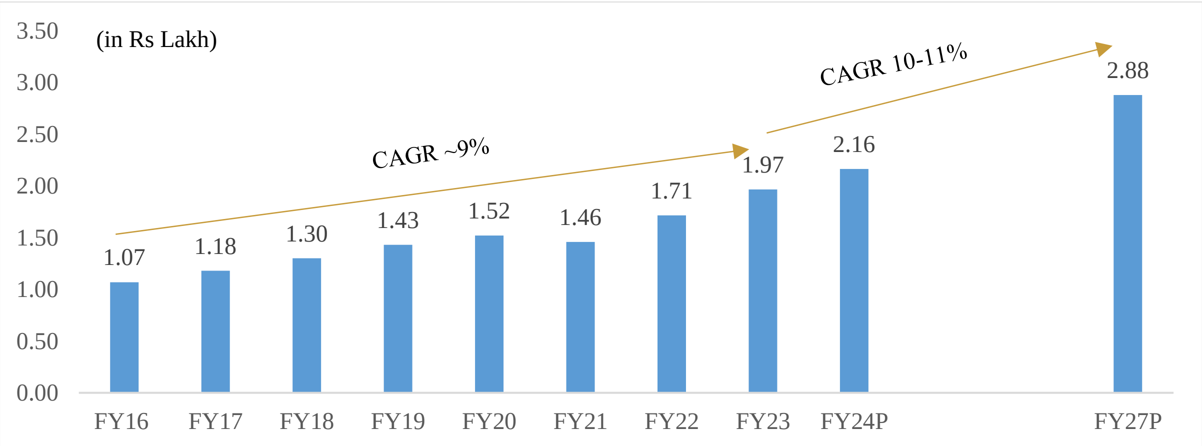
Urban population as a percentage of total population (%)



Note: P – Projected; Source: Census 2011 and World Urbanization Prospects: The 2018 Revision (UN) (https://population.un.org/wup/)

Trend in Nominal GDP per capita (at current prices)

As per IMF's estimates, India's nominal GDP per capita (at current prices) is projected to increase at a CAGR of 10-11% from FY2023 to FY2027.



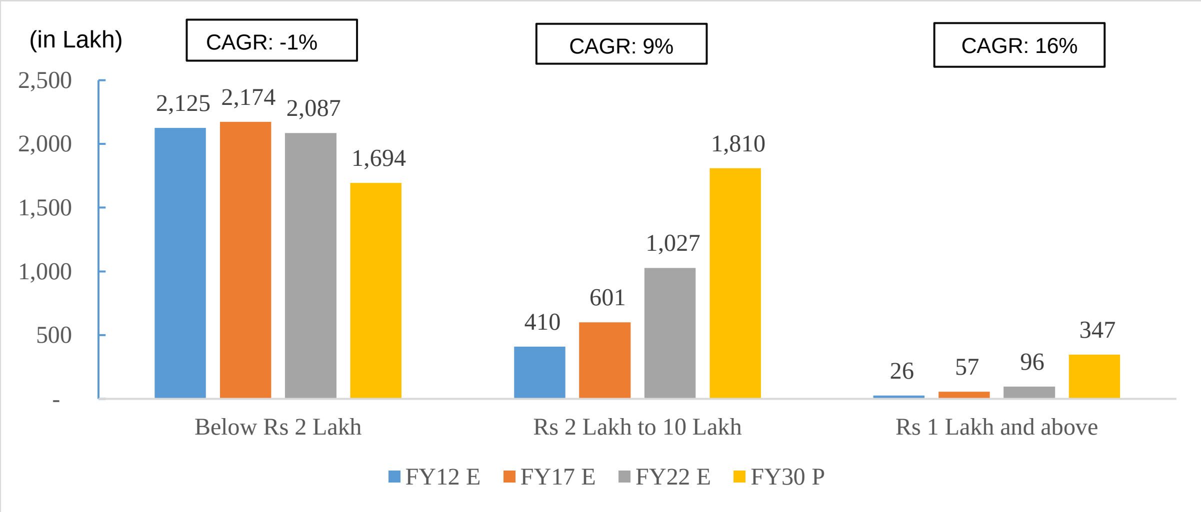
Notes: P- Projected. FY23 estimates based on second advanced estimates by Ministry of Statistics and Program Implementation FY24 – FY27 Projections based on IMF – World Economic Outlook (April 2023); Source: MOSPI, IMF, CRISIL MI&A

Rising Middle India population to help sustain growth for the country

Proportion of Middle India (defined as households with annual income of between Rs. 2 to 10 Lakh) has been on a rise over the last decade and is expected to grow further with continuous increase in the GDP and household incomes. CRISIL MI&A estimates that there were 410 Lakh middle income households in India as of Fiscal 2012, and by Fiscal 2030, they are projected to increase to 1,810 Lakh households. Many these households, which have entered the Middle-Income bracket in the last few years, are likely to be from semi-urban and rural areas.

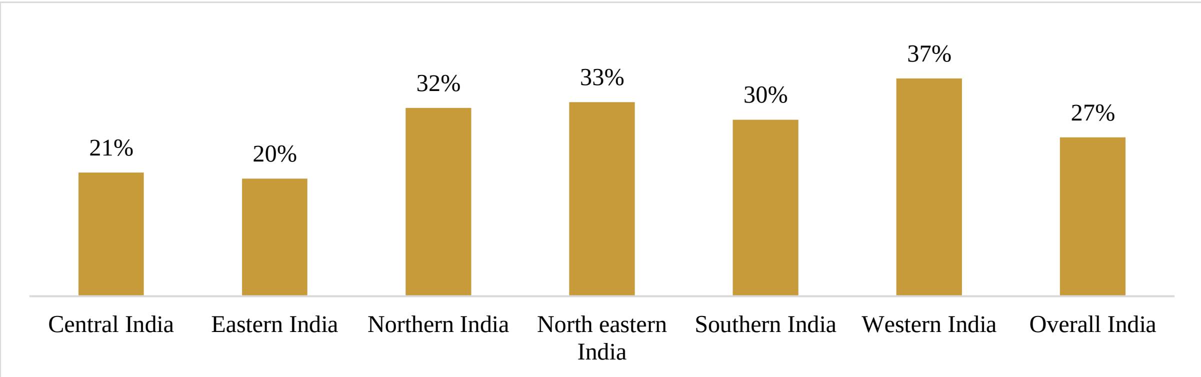
CRISIL MI&A believes that the improvement in the literacy levels, increasing access to information and awareness, increases in the availability of necessities, and the improvement in road infrastructure has led to an increase in aspirations of Middle India, which is likely to translate into increased opportunities for financial service providers.

Middle India households to witness high growth over Fiscal 2012 to Fiscal 2030



Note: E: Estimated, P: Projected; Source: CRISIL MI&A

Financial Literacy across India as of 2019



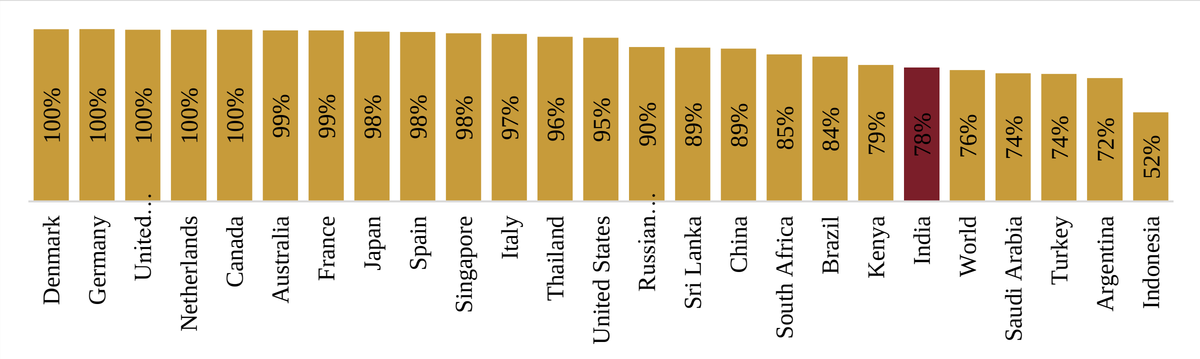
Source: National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019 Report, National Centre for Financial Education

Financial Inclusion on a fast path in India

Overall literacy in India is at 77.7% as per the results of recent NSO survey conducted from July 2017 to June 2018, which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. India's financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's efforts to promote financial inclusion and the proliferation of supporting institutions.

With increasing financial literacy, mobile penetration, awareness, and the Prime Minister's Jan Dhan Yojana bank accounts, there has been a rise in the participation of individuals from non-metro cities in banking. With more people attached to the formal banking sector, the demand for financial products in smaller cities has seen a major increase in recent years. Going forward, CRISIL MI&A expects financial penetration to increase on account of increasing financial literacy.

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



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

Rural economy is becoming structurally far more resilient

According to Census 2011, there are about 6.4 lakh villages in India, which are inhabited by about 8,930 lakh people, comprising about 65% of the country's population as of CY2021. About 47% of India's GDP comes from rural areas.

The rural economy is far more resilient today due to increased spends under MGNREGA and irrigation programmes, direct benefit transfer (DBT), the PM-Kisan scheme, PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. These government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services. The structural changes, combined with a positive macro environment, will improve rural business prospects, provide business opportunities for the banking and financial services sector, and drive the long-term growth of the economy.

Account aggregators framework to build a financial data ecosystem in India

On 2nd September 2021, the RBI launched the Account Aggregators scheme, which is a framework to allow accessibility to financial data by creating intermediaries called account aggregators. These intermediaries will collect and share financial information to various entities. It is a big step towards creating a financial ecosystem which will save transaction costs and ensure a person's credit worthiness.

Government regulations for the digital finance economy

Implementation of data privacy law and potential impact in India

Financial access allows firms to invest and households to smooth their consumption and build capital over time, fostering the creation of businesses and helping to improve people's livelihoods. It also helps households and firms protect themselves against shocks and better manage risk. This has been further bolstered by the emergence of Digital technology, which is transforming the financial services landscape. The new age financial services providers have a multidimensional impact in emerging markets, which include the development of mobile financial services, which are reaching appropriate scale with the help of third-party agent networks. The rise of new players active use of digital platforms has allowed countries to accelerate financial inclusion and penetration; however, this requires support for appropriate financial consumer protection frameworks such as:

1. **The Digital Personal Data Protection Act (DPDPA) 2023** is expected to exert substantial influence on India's financial landscape as it brings forth a comprehensive plan to safeguard personal data, including the sensitive information amassed or processed by Financial Institutions. The Act is likely to impact risk management practices as regulations mandate firms to assess data collection on a legal basis and obtain customer consent, potentially affecting risk assessment and product pricing.

2. **The Proposed Digital India Act (2023)** aims to address challenges & issues in the digital landscape and replace the existing Information Technology Act (IT Act), 2000, which was formulated over two decades

ago. The Indian digital landscape has transformed, and contemporary challenges of cybercrimes, competition among internet platforms, safety of online users, and others have changed and require regulatory adoption.

Regulations on credit by fintech

In June 2023, The Reserve Bank of India (RBI) recently issued comprehensive guidelines governing First Loss Default Guarantee (FLDG) arrangements in digital lending. FLDG is essentially an agreement between two entities, often both regulated entities (REs) or digital lending, between a regulated entity and fintech lending service providers (LSPs). This framework ensures that the LSP is responsible for compensating the RE for any losses incurred due to defaults up to a specified threshold of the loan portfolio. Previously, the RBI had imposed constraints on FLDG lending models, especially those where fintech companies provided loans financed by either finance companies or banks but shouldered the default risk by offering guarantees to the lenders. However, with these new guidelines, it now appears that fintech companies are granted the opportunity to employ First Loss Default Guarantee on loans.

Credit Through UPI

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

This facility allows individuals to make payments through a pre-sanctioned credit line issued by a Scheduled Commercial Bank, provided they have obtained prior consent from the customer. Banks have the authority to set the terms and conditions for using these credit lines under their Board-approved policy. These terms may cover aspects such as credit limit, duration of credit, interest rates, and more. This move helps increase last-mile access to credit and, adding to UPI's cost-effectiveness, helps financial institutions reach out to customers where affordability and simplicity can help accept credit lines.

Digital Public infrastructure reforms by GoI

Digitization improves the transparency and efficiency of government processes, and widespread digital transformations help governments and institutions with policy implementation and broad policy outreach. However, digital platforms built too specific or narrowly for a particular context may not be the most effective or efficient as policies, governing objectives, and societal conditions change. The key idea for Digital Public Infrastructure (DPI) is not the complete digitization of narrow public services but the establishment of a building block of digital modularity, which can be used modularly by both government and private players to create the specific digital infrastructure required. The India Stack is a collective name for a set of open APIs and public goods in digital form.

Use of generative AI and new technologies increasing productivity

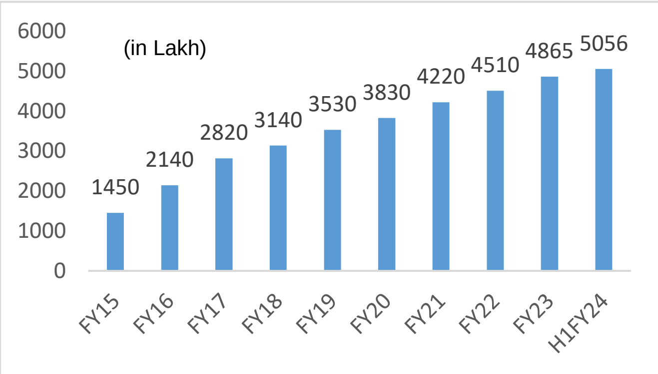
Generative AI, or Gen AI, leverages extensive training on large datasets to swiftly produce diverse content forms like text and multimedia in response to prompts. Gen AI, exemplified by ChatGPT in BFSI in banking and finance, enables efficient, conversational banking, delivering prompt and accurate responses, enhancing customer experiences, and saving time. Gen AI does well in fraud prevention, where it can swiftly detect potentially fraudulent activity by analyzing customer behaviour patterns. This can help BFSI companies to take proactive measures to help bolster transaction security. Gen AI aids in risk analysis and synthetic data generation. This helps to offer detailed insights from intricate financial datasets which can be employed for decision making. Gen AI can be leveraged as a research assistant. This can help deliver personalized financial advice to customers. The different uses of Gen AI now show a fraction of its potential to transform the BFSI sector.

Key structural reforms: Long-term positives for the Indian economy

Financial inclusion

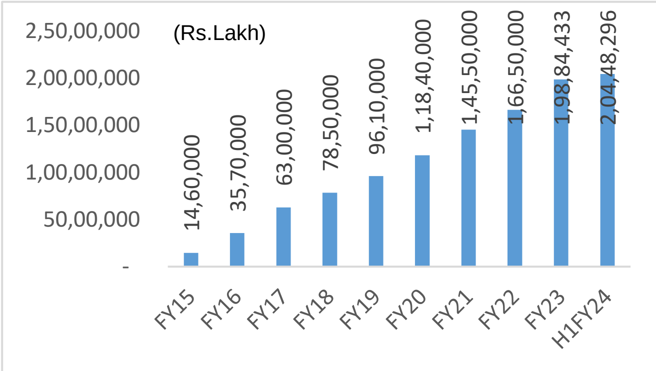
According to the World Bank's Global Findex Database 2021, the global average of adult population with a savings or current account (with a bank, financial institution, or mobile money providers) was ~76% in 2021. India's financial inclusion has improved significantly between 2014 and 2021, with the adult population with bank accounts rising from 53% (as per Global Findex Database 2014) to 78% in 2021 with concerted efforts by the government to promote financial inclusion and the proliferation of supporting institutions. As per the Global Findex Database 2021, ~54% of the world's 7,400 lakh unbanked adults live in only seven countries (India, Bangladesh, China, Indonesia, Egypt, Nigeria, and Pakistan), of which 2,300 lakh are in India. As of September 2023, 5,060 lakh PMJDY accounts had been opened, of which 67% were in rural and semi-urban areas, with total deposits of Rs. 20,448,296 Lakh. *(Source: Pradhan Mantri Jan-Dhan Yojana: Progress Report)*.

Number of PMJDY accounts



Note: As at the end of each Fiscal and as of September 2023 for H1FY24; Source: PMJDY; CRISIL MI&A

Total balance in PMJDY accounts



Note: As at the end of each Fiscal and as of September 2023 for H1FY24; Source: PMJDY; CRISIL MI&A

PMJJBY is a one-year life insurance scheme that offers a life cover of Rs. 2 lakhs at a premium of ₹ 330 per annum per member, which can be renewed every year. The Government has also launched the Pradhan Mantri Suraksha Bima Yojana (PMSBY), which is an accident insurance policy and offers an accidental death and full disability cover of Rs. 2 lakhs at a premium of ₹ 12 annually. According to the Ministry of Finance, 1,620 lakh and 3,420 lakh cumulative enrolments have been done under PMJJBY and PMSBY, respectively, as of 26th April 2023. *(Source: Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) complete 8 years of providing social security cover)*

Goods and Services Tax (GST) implementation

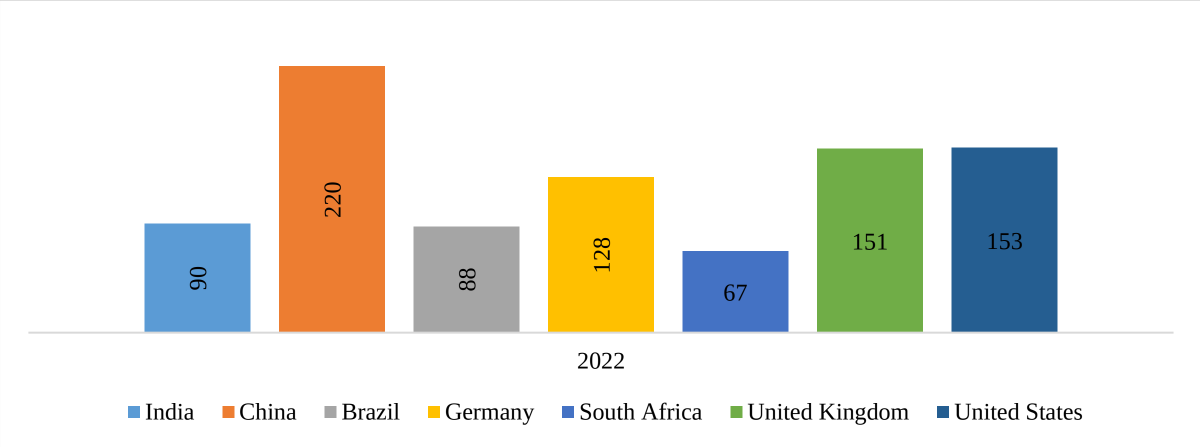
Introduced on July 1, 2017, the GST is an indirect tax regime that subsumed multiple cascading taxes levied by the central and state governments. Its implementation has spawned structural changes in the supply chain and logistics network in the country. The crux of the GST mechanism is input tax credit, which ensures more players in the supply chain come under the tax ambit. As supply from only registered taxpayers will get input tax credit, businesses and stakeholders will insist on registration of their suppliers and traders, leading to an increase in the share of organized participants.

Credit penetration in India

Credit penetration is lower in India compared to other countries

In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023.

Credit to GDP ratio (%)



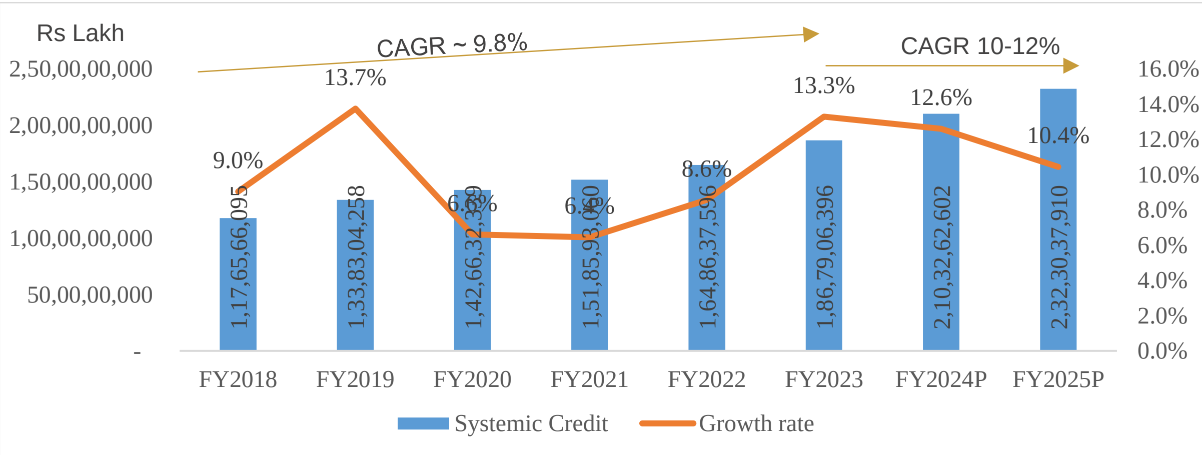
Note: Data is represented for calendar years for all countries except India. For India, numbers are for fiscal year 2021; Source: Bank of International Settlements, CRISIL MI&A

Systemic credit to grow at 10%-12% CAGR between 2023-2025

Corporate credit determines the growth in overall credit as it accounts for nearly two-third of systemic credit. The slowdown in economic activity, coupled with heightened risk aversion among lenders, tightened the overall credit growth to approximately 6.6% in Fiscal 2020. In Fiscal 2021, credit grew by ~6.4% supported by disbursements to MSMEs under the Emergency Credit Line Guarantee Scheme (ECLGS) and an uptick in economic activity post the COVID-19 lockdown. In Fiscal 2022, the systemic credit growth picked up steam despite the second wave of COVID-19 hurting economic growth in the first quarter of the Fiscal. The systemic credit grew at 9% from the previous year to reach approximately Rs. 1,648,637,596 Lakh. The growth was mainly driven by the budgetary push towards investments, pick-up in private investment, and business activity also slowly humming back to pre-COVID-19 levels.

In Fiscal 2023, Systemic credit showed strong growth on back of pent-up retail demand from sectors like housing and auto. Credit demand also grew due to strong credit demand from NBFCs and trade segment. CRISIL MI&A projects systemic credit to grow at 10-12% CAGR between Fiscals 2023 and 2025.

Systemic credit to grow by 10-12% between fiscal 2023 & fiscal 2025

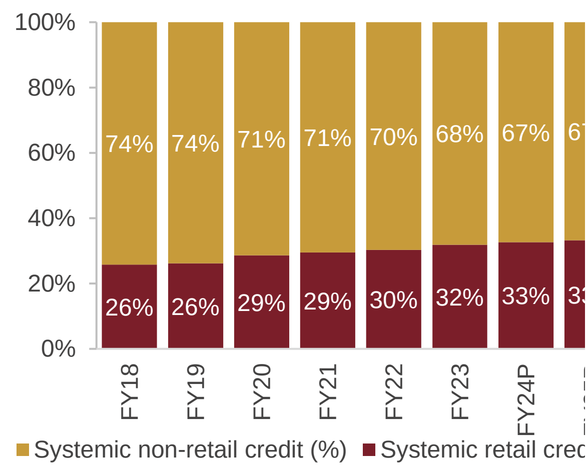


Note: P: Projected; Systemic credit includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC; Source: RBI, Company Reports, CRISIL MI&A

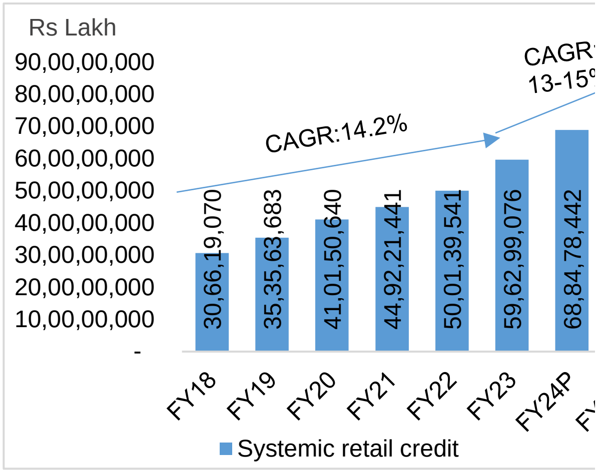
While systemic credit in India grew at a tepid rate of 9.8% CAGR annually between Fiscals 2018 and Fiscal 2023, systemic retail credit grew at a much faster rate of 14.3% CAGR during the same period. Retail credit growth in Fiscal 2020 was around approximately 16.3% which came down to approximately 9.5% in Fiscal 2021. However, post-pandemic, retail credit growth revived back to reach approximately 11.3% in Fiscal 2022. CRISIL MI&A

estimates retail credit to have grown at ~19-20% year on year in Fiscal 2023. CRISIL MI&A thus expects retail credit growth to continue in the long term with banks and NBFCs' continued focus on the segment.

Retail segment is estimated to account for 32% of overall systemic credit as of Fiscal 2023



Retail credit growth to continue a strong footing in Fiscal 2024



Note: P = Projected

Source: RBI, CRISIL MI&A

Delhi, Maharashtra, Telangana, and Chandigarh have a higher credit penetration compared to other states

Delhi, Maharashtra, Telangana, and Chandigarh have a credit to GDP ratio of more than 100% as of March 2023 which indicates that credit penetration in the state is higher as compared to other states in the country. Chandigarh has the highest credit penetration of 271% as of March 2023 followed by Delhi at 240%. Maharashtra has the third highest credit penetration in Indian States at 206% which has the highest contribution to Indian GDP. Delhi and Chandigarh which are smaller states have high credit concentration, for example Chandigarh has an urban credit share of 100% and Delhi has a metropolitan credit share of 99%. Densely populated states like Bihar and Uttar Pradesh have rural credit share at 21% and 16%, respectively, which is low considering majority of the population lives in rural areas.

State-wise credit penetration (FY23)

	Credit Penetration as of March 2023	GSDP (FY21-FY22) in Rs Lakh	Percentage share in India's GDP	Rural Credit Share	Semi Urban Credit Share	Urban Credit Share	Metropolitan Credit Share
Maharashtra*	206%	188,930,000	12.70%	2%	4%	4%	90%
Chandigarh*	271%	2,790,000	0.20%	0%	0%	100%	0%
Delhi	240%	62,240,000	4.20%	0%	1%	0%	99%
Telangana	102%	67,630,000	4.50%	7%	11%	9%	74%
Tamil Nadu	94%	134,510,000	9.00%	11%	23%	14%	51%
Kerala	83%	55,090,000	3.70%	2%	50%	48%	0%
Andhra Pradesh	77%	74,690,000	5.00%	15%	25%	30%	30%
Karnataka	73%	125,220,000	8.40%	8%	12%	16%	64%
Jammu & Kashmir	71%	12,150,000	0.80%	35%	26%	21%	19%
Haryana	68%	58,880,000	4.00%	9%	15%	68%	8%
Punjab	68%	42,750,000	2.90%	18%	29%	26%	28%
West Bengal*	62%	79,270,000	5.30%	13%	10%	20%	58%
Rajasthan	62%	73,300,000	4.90%	13%	24%	25%	38%
Puducherry	62%	2,660,000	0.20%	9%	20%	71%	0%
Chhattisgarh*	61%	24,550,000	1.60%	8%	17%	26%	49%
Madhya Pradesh	60%	62,170,000	4.20%	11%	22%	18%	48%

	Credit Penetration as of March 2023	GSDP (FY21-FY22) in Rs Lakh	Percentage share in India's GDP	Rural Credit Share	Semi Urban Credit Share	Urban Credit Share	Metropolitan Credit Share
Gujarat*	58%	124,820,000	8.40%	8%	13%	17%	62%
Uttar Pradesh	57%	112,310,000	7.50%	16%	16%	32%	36%
Manipur*	50%	2,080,000	0.10%	30%	21%	49%	0%
Goa*	48%	5,340,000	0.40%	18%	82%	0%	0%
Bihar	46%	42,810,000	2.90%	21%	24%	25%	30%
Odisha	46%	42,030,000	2.80%	19%	23%	58%	0%
Assam*	45%	22,850,000	1.50%	21%	30%	49%	0%
Jharkhand	42%	23,680,000	1.60%	17%	20%	28%	35%
Nagaland*	42%	1,800,000	0.10%	22%	46%	32%	0%
Meghalaya	41%	2,570,000	0.20%	33%	18%	49%	0%
Uttarakhand	37%	18,990,000	1.30%	21%	21%	58%	0%
Arunachal Pradesh*	37%	1,890,000	0.10%	28%	72%	0%	0%
Himachal Pradesh	34%	12,440,000	0.80%	58%	32%	10%	0%
Sikkim	28%	2,070,000	0.10%	28%	10%	62%	0%
Mizoram*	28%	1,440,000	0.10%	8%	25%	67%	0%
Tripura	27%	4,050,000	0.30%	27%	27%	46%	0%

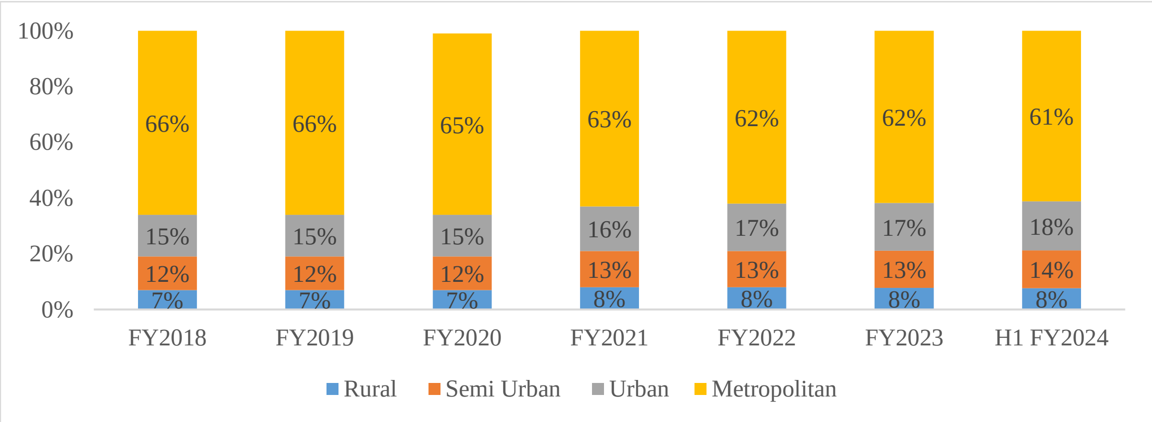
*Note: Credit penetration calculated as banking credit to states as of Fiscal 2023 divided by state GSDP (at constant prices) as of Fiscal 2022; Region wise credit % calculated as credit divided by total credit, GDP taken as GSDP at constant prices, Base Year: 2011-12., * GDSP taken for Fiscal 2021, Source: RBI, MOSPI, CRISIL MI&A Estimates*

Rural India – Under penetration and untapped market presents a huge opportunity for growth for financiers

Credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as at March 31, 2018 to 62% as at June 30, 2023. Between the same period, credit share has witnessed a marginal rise in rural and urban areas. For semi-urban areas, credit share has gone up from 12% as of March 31, 2018, to 13% as of June 30, 2023.

As of March 31, 2023, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers will also help the financiers to assess customers and cater to the informal sections of the society in these regions.

Share of rural and semi-urban credit has increased marginally between March 2018 & September 2023



Note: As at the end of each Fiscal and as of Sep 2023 for H1FY2024; Source: RBI, MOSPI, CRISIL MI&A

As per RBI, based on the size of the population (census 2011), a centre, where bank branch is located, is classified either into rural, semi-urban, urban, or metropolitan as under:

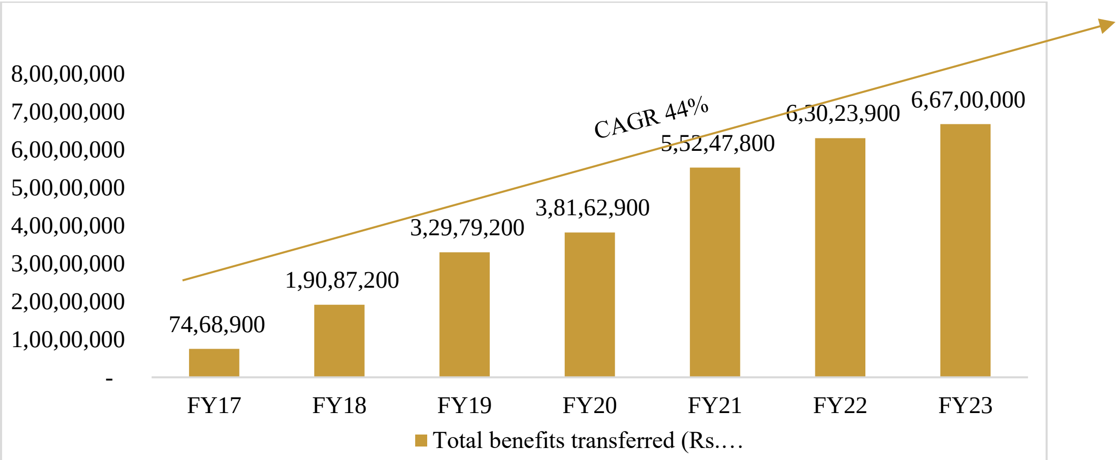
Rural	Population less than 0.1 lakh
Semi-Urban	Population 0.1 lakh and above and less than 1 lakh
Urban	Population 1 lakh and above and less than 10 lakhs
Metropolitan	Population 10 lakhs and above

Source: RBI, CRISIL MI&A

Rural economy is becoming structurally far more resilient

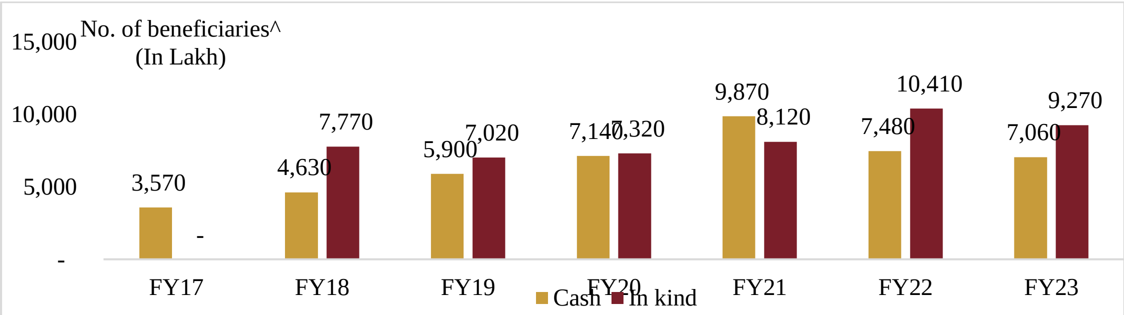
According to Census 2011, there are about 6.4 lakh villages in India, which are inhabited by about 8,930 lakh people, comprising about 65% of the country's population as of CY2021. The rural economy is far more resilient today due to increased spends under MNREGA and irrigation programmes, direct benefit transfer (DBT), the PM-Kisan scheme, PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. These government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services. The structural changes, combined with a positive macro environment, will improve rural business prospects, provide business opportunities for the banking and financial services sector and drive the long-term growth of the economy.

Total direct benefits transfer by the government grew at CAGR of 44% between fiscal 2017 and fiscal 2023



Source: DBT Bharat, CRISIL MI&A

Direct benefits transfer (DBT) beneficiaries

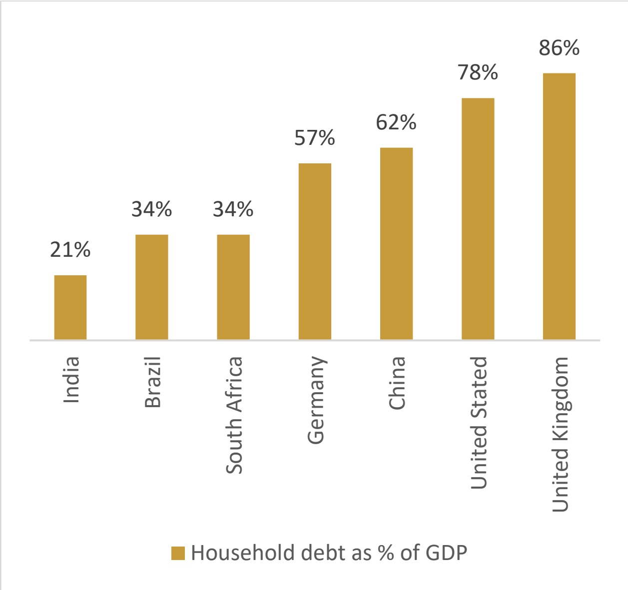


Note: ^Sum total of beneficiaries across schemes
Source: DBT Bharat, CRISIL MI&A

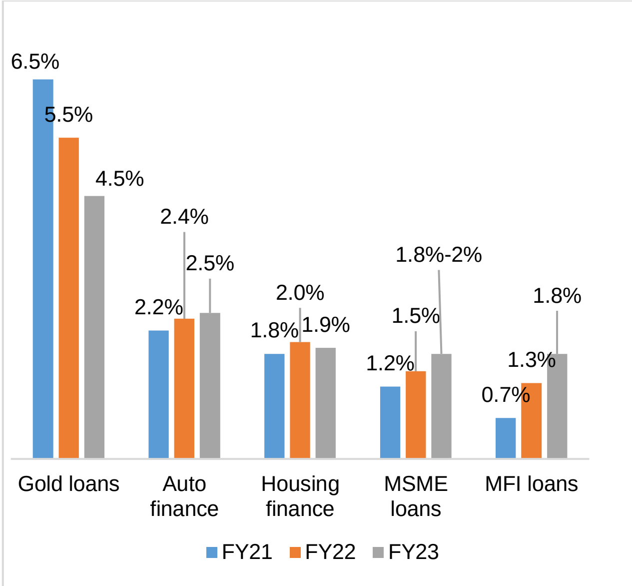
Retail credit market continue to remain profitable in the coming years

From a profitability perspective as well, retail lending is an attractive proposition with NBFCs across various asset classes being able to earn fairly healthy return on assets over the course of a business cycle. Given that the market is large, has good growth prospects, is under penetrated and profitable, CRISIL MI&A expects retail credit to continue to remain a key focus area for banks and NBFCs.

India most underpenetrated in terms of retail credit indicating significant potential for growth

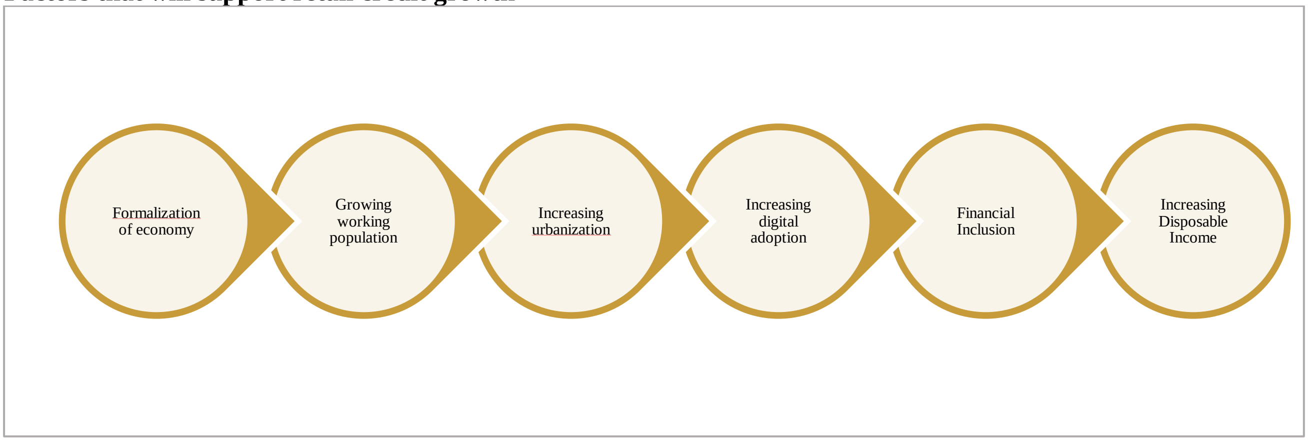


Retail lending is profitable for NBFCs across various asset classes as indicated by their Return on Assets



Note: E = Estimated; P = Projected, above retail credit market includes housing finance, Auto finance, microfinance, gold loans, construction equipment finance, consumer durable finance, MSME loans and education loans
For countries except India, data is represented for calendar years. For India, data represented is for fiscal year 2022.
Source: RBI, Bank of International Settlements, Company reports, CRISIL MI&A

Factors that will support retail credit growth



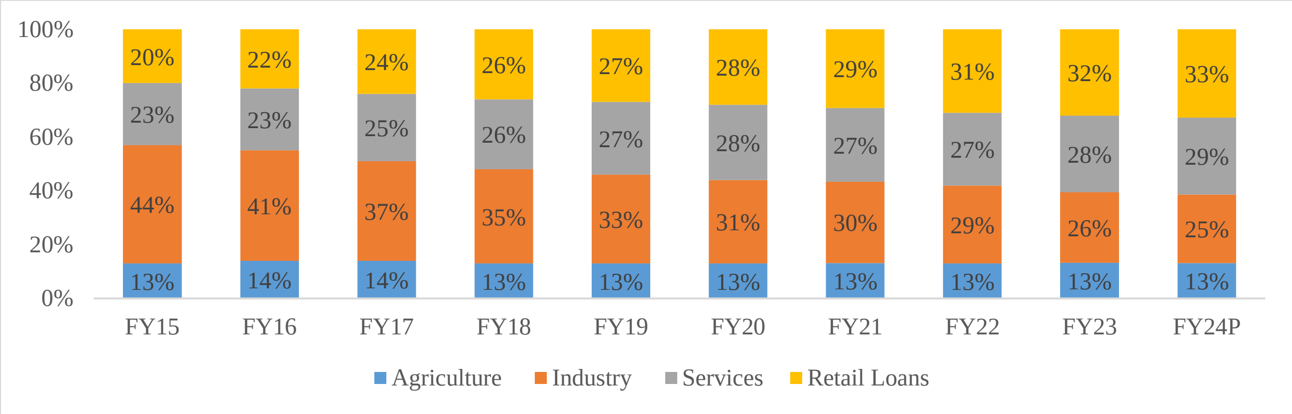
Source: CRISIL MI&A

Retail Loan and Service segment to drive credit growth in Fiscal 2024

Industrial credit accounted for nearly one fourth of the overall banking credit mix in Fiscal 2023. The demand has been lower in the past three Fiscal years, owing to subdued capital expenditure, low commodity prices and low asset quality. This has led to gradual reduction of share of industry credit in the overall banking sector's credit. In contrast, credit towards the retail and services segments has risen rapidly over the past five Fiscal years, driven by strong consumer demand, lower NPA and better margins.

Retail Loans segment grew in Fiscal 2023 driven by demand in housing segment and pent-up demand in vehicle loans segment. Going forward, CRISIL MI&A expects personal loans and services segment to drive credit growth in Fiscal 2024. Retail Loans segment is expected to show strong growth in Fiscal 2024 on back of credit demand from housing loans, consumer durables and other retail loan segment. Going forward, CRISIL MI&A expected overall housing loan to grow at 14-16% in the fiscal 2024.

Retail loan share reached 32% as of March 31, 2023

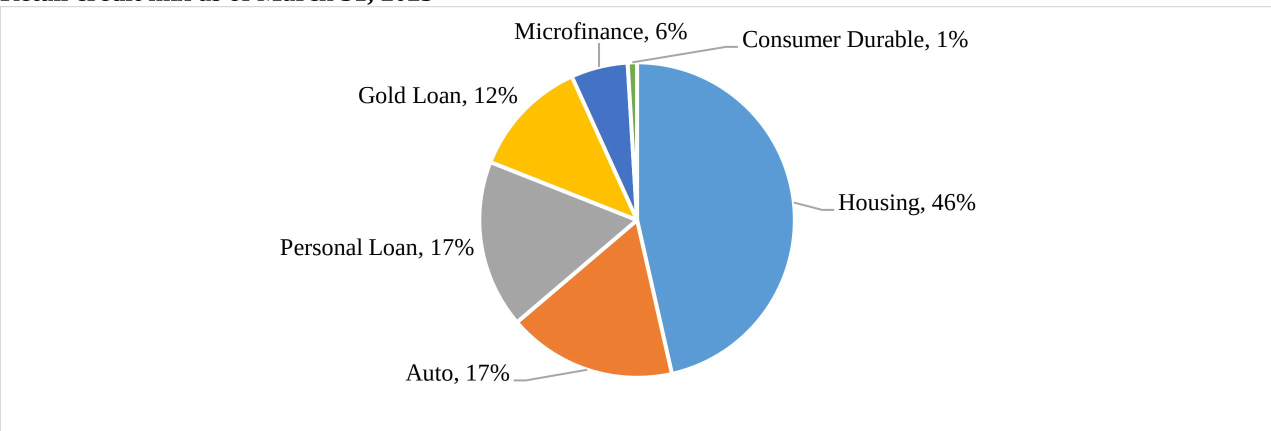


Note: P: Projected; As at end of each Fiscal 2023, P: Projected, Source: RBI; CRISIL MI&A

Housing loans accounts for 46% of overall retail loans as of March 31, 2023

As of March 31, 2023, Housing finance accounts for almost half of overall retail loans in the country followed by auto loans (17%), personal loans (17%) and gold loan (12%).

Retail credit mix as of March 31, 2023



Source: CRISIL MI&A

Overview of NBFC in India

NBFC credit to grow faster than systemic credit between Fiscals 2023 and 2025

Over the past decade, banking credit growth lagged systemic credit growth for several years as NBFCs grew at a much faster pace. However, the NBFCs suffered a blow after IL&FS defaulted in September 2018. NBFCs not having the advantage of size, rating and/or parentage had to grapple with a liquidity crisis and as raising funding became difficult. Initially, post the IL&FS crisis, banks were expected to fill the space left out by NBFCs.

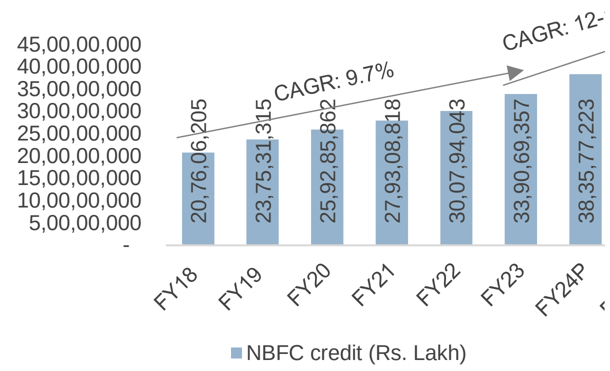
In the fourth quarter of Fiscal 2020 and the first quarter of Fiscal 2021, with the outbreak COVID-19 pandemic, challenges had intensified for both banks and NBFCs. NBFCs were hit harder in terms of demand, and they also turned cautious as they lend to borrowers with relatively weaker credit profile. In the second half of Fiscal 2021, the Indian economy showed signs of improvement, the effect of which was seen in the credit growth.

In Fiscal 2022, the second wave of the COVID-19 pandemic led to weak demand for credit in the first quarter of the year. However, the pace of credit recovered, with overall credit growing by 9% and retail credit increasing by 11.3% year-on-year as of March 2022. With the effect of COVID-19 waning, vaccination coverage progressively improving, the situation and growth improved further.

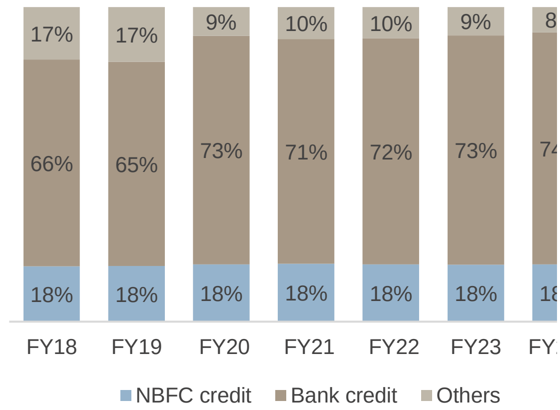
In Fiscal 2023, pace of credit further improved and is at par with pre-COVID level. Overall credit grew by estimated 13.3% and systemic retail credit grew by 19.2%. CRISIL MI&A projects NBFC credit to grow at 12%-

14% between Fiscal 2023 and Fiscal 2025. The credit growth will be driven by the retail vertical, including housing, auto, and microfinance segments. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2024, leading to healthy growth NBFCs. Moreover, organic consolidation is underway with larger NBFCs gaining share. Further, growth of the non-banking industry will be driven mainly by NBFCs with strong parentage who have funding advantage over other NBFCs.

NBFC credit to grow at CAGR 12-14% between fiscals 2023 and 2025



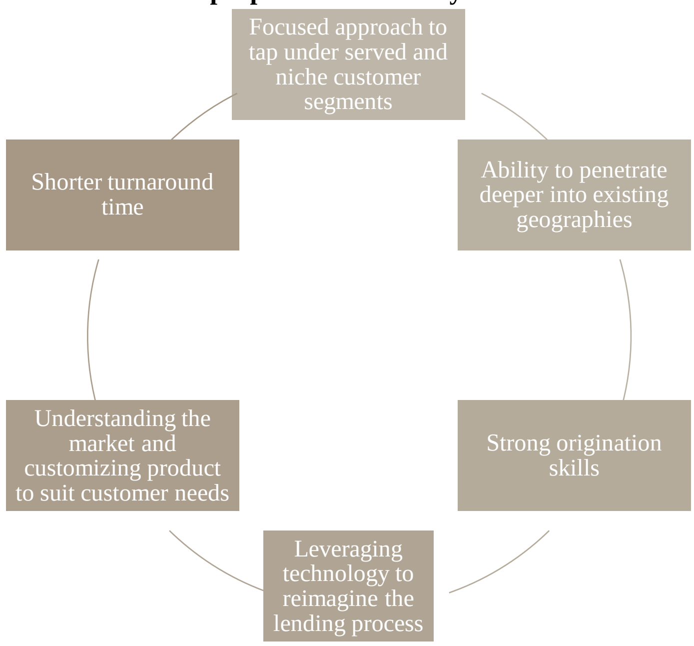
Share of NBFC Credit in Systemic Credit remained at 18% in fiscal 2023



Note: P = Projected; Note: Others include Commercial papers, External borrowings, corporate bonds excluding those issued by Banks and NBFCs; Source: RBI, Company reports, CRISIL MI&A

NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than Rs. 20,000,000 Lakh AUM at the turn of the century to around Rs. 339,069,357 Lakh at the end of Fiscal 2023. CRISIL MI&A expects NBFC credit to grow at 12-14% CAGR between fiscal 2023 and fiscal 2025. Their share in the overall credit pie has increased from 12% in Fiscal 2008 to 18% in Fiscal 2023 and projected to be remained stable in fiscal 2024. CRISIL MI&A believes that NBFCs will remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are not catered by Banks.

Growth of NBFCs reflects the customer value proposition offered by them



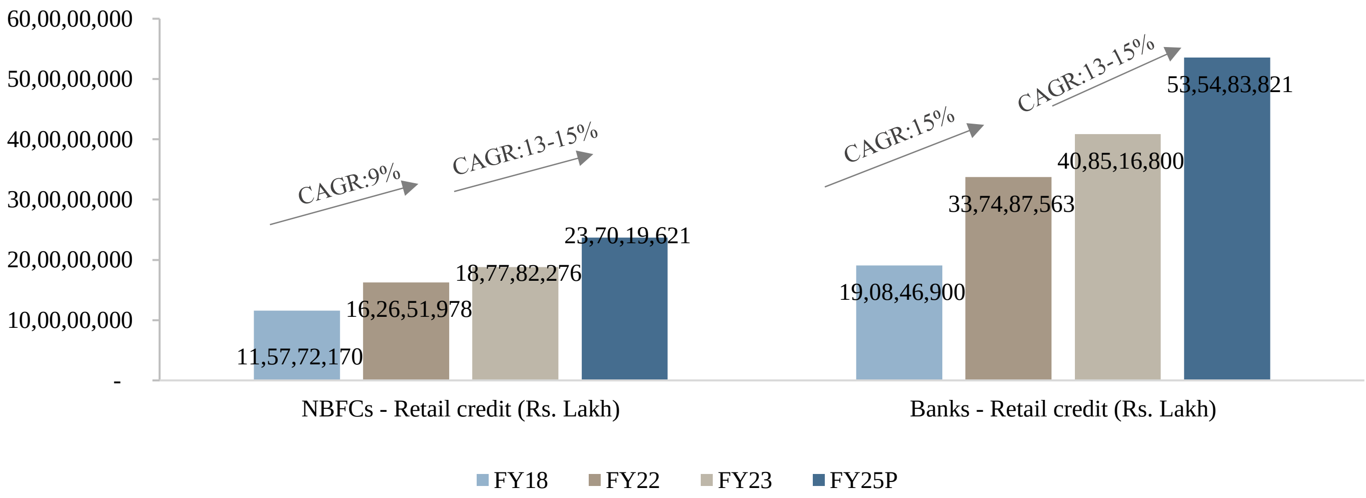
Source: CRISIL MI&A

Retail segment to support NBFCs overall credit growth

Reflecting the growing importance of NBFCs in the financial services landscape and their ability to offer differentiated solutions to meet the requirement of target customers, the market share of NBFCs in overall systemic credit has increased from approximately 16% in Fiscal 2017 to approximately 18% in Fiscal 2023.

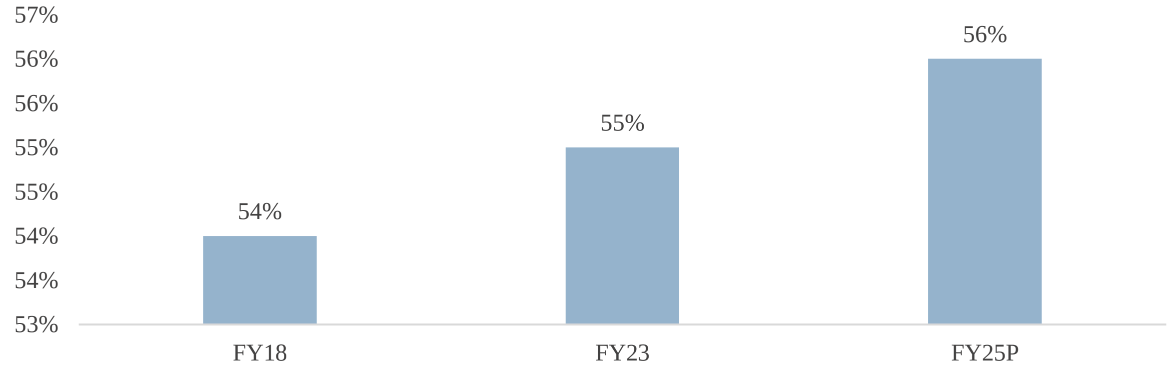
After a moderation in growth post pandemic, NBFCs are back on track with an estimated credit growth of 12-13% during fiscal 2023. Going ahead CRISIL MI&A expects the growth trend to continue with credit growth at 13-14% during fiscal 2024. The industry will continue to witness the emergence of newer NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits as well as increasing availability of data for credit decision-making has made it possible to build an NBFC lending business without investing large sums to have brick-and-mortar presence on the ground. Overall, between Fiscal 2023 to Fiscal 2025, CRISIL MI&A forecasts NBFC credit to grow at a CAGR of 12%-14%. Further, retail credit given out by NBFCs is forecast to grow at a pace of 13%-15% CAGR over the same time.

NBFCs retail credit is expected to grow at 13% - 15% CAGR in the next two years



Note: P = Projected; Retail credit above includes housing finance, auto finance, microfinance, gold loans, consumer durable finance, MSME loans, education loans & other smaller segments
Source: Company reports, RBI, CRISIL MI&A

Share of retail credit in total NBFC credit to continue to grow



Note: P = Projected; Retail credit above includes housing finance, auto finance, microfinance, gold loans, consumer durable finance, MSME loans, education loans & other smaller segments
Source: Company reports, CRISIL MI&A

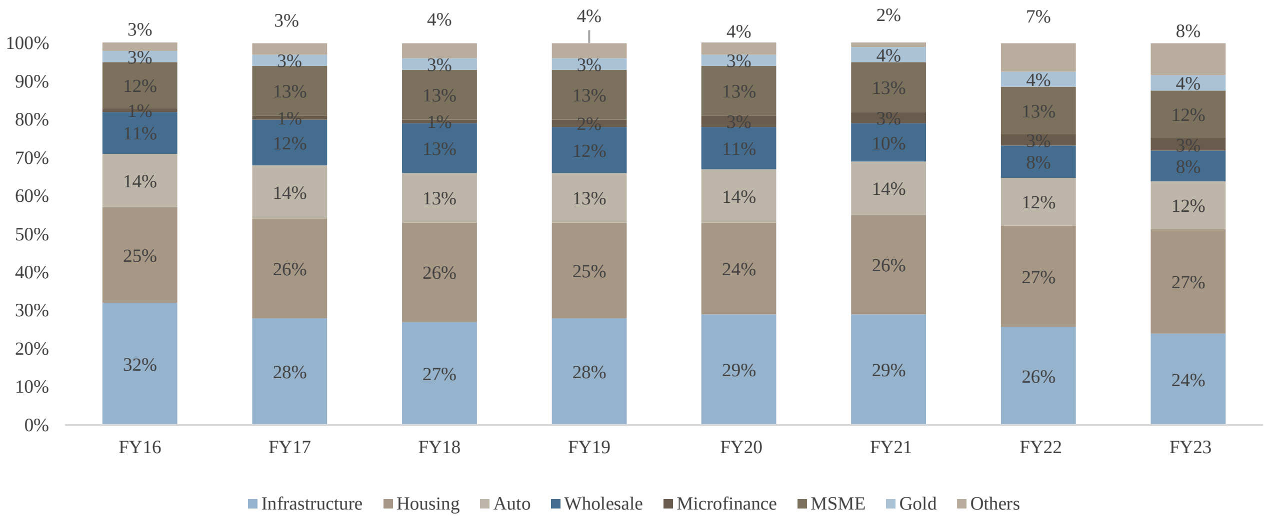
Housing and Autos to lead NBFC credit growth

With a visible recovery across most sectors and increasing demand for housing NBFC housing credit witnessed growth of 12% during fiscal 2023. Going forward, CRISIL MI&A expects NBFC housing credit will continue to see momentum and is like to grow at 12%-14% for Fiscal 2024. With continued support from the government, central bank and increase in demand for housing and deeper penetration in tier-II and -III cities, the affordable HFCs are back on healthy double digit growth trend with estimated growth of 14-16% during fiscal 2023 outpacing the credit growth in retail housing segment. Going ahead, CRISIL MI&A expects affordable HFCs to grow at 15-17% during fiscal 2024. The NBFC firms' auto finance book is anticipated to have increased by 15–17% on-year in fiscal 2023, up from a meagre 4.6% on-year increase during the previous two years. In fiscal 2024, Pent-up demand and new launches is expected to drive sales of cars and utility vehicles (UV), while the infrastructure sector will have a significant impact on the demand for commercial vehicles (CV), fleet replacement, and last-mile connectivity causing auto loans to grow at 12-14%.

Housing and infrastructure loans account for more than 50% share in overall NBFC portfolio as of Fiscal 2023

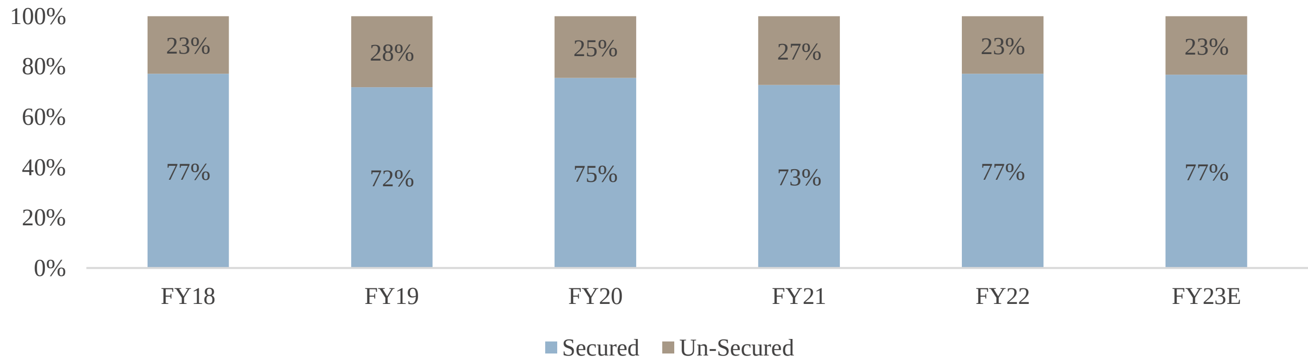
In terms of asset size wise mix, housing loans and infrastructure loans continue to account for a major chunk of overall NBFC portfolio. Microfinance loans have increased their share from approximately 2% to 3% between Fiscal 2019 and Fiscal 2023. CRISIL MI&A expects housing and infrastructure loans to maintain their share in overall NBFC credit. Further, auto, personal loan and microfinance are expected to perform better as compared to other segments in fiscal 2024.

Distribution of NBFC credit across asset classes



Note: Others include education loan, consumer durable loans and construction equipment finance
Source: RBI, Company reports, CRISIL MI&A

Share of loans and advances from secured products remains high



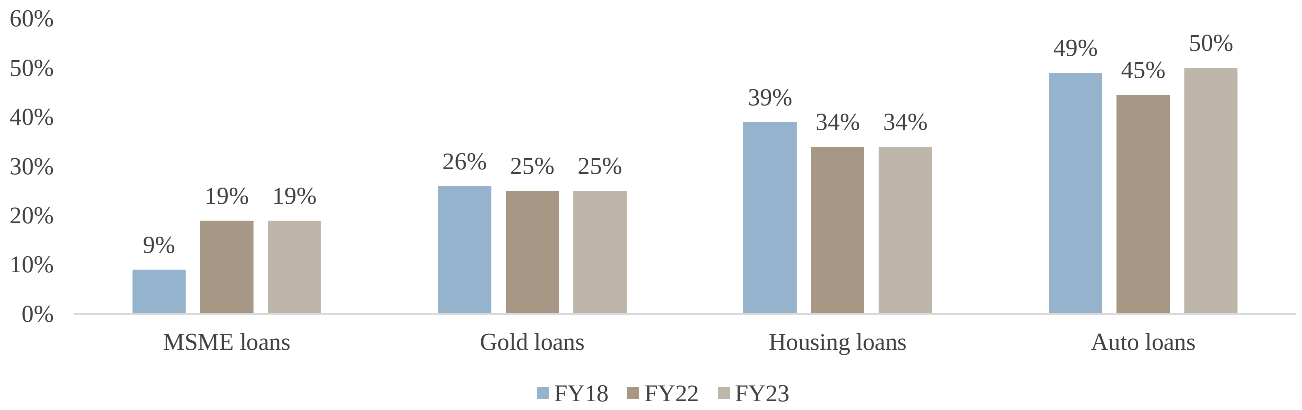
Note: E- Estimated
Source: RBI, CRISIL MI&

NBFCs have a reasonable market share across segments

NBFCs have consistently gained or maintained market share across most asset classes over the last few years. Though, in certain segments such as housing finance to prime customers, they have lost market share to banks due to the decline in market interest rates. In the gold loans market, NBFCs slightly lost market share in Fiscal 2022 due to increasing focus of banks (both public and private) towards gold loans as well as RBI permitting banks to offer gold loans at a higher loan-to-value amidst the COVID-19 pandemic. Nevertheless, NBFCs continue to have a healthy market share across other segments.

NBFCs have been able to compete with banks mainly on account of their strong origination skills, extensive reach, better customer service, faster processing, fewer documentation requirements, digitalisation of customer on-boarding process, customised product offerings, local knowledge, and differentiated credit appraisal methodology. Furthermore, by catering to under banked, lower income and mass market customers who are unserved or underserved by banks, NBFCs have enhanced financial inclusion and expanded the market for formal financial services. The rapid evolution of fintechs over the last few years has added another dimension to the market served by NBFCs and has fuelled rapid growth across the landscape.

Market share of NBFCs in overall credit across select asset classes



Source: Company reports. RBI, CRISIL MI&A estimates

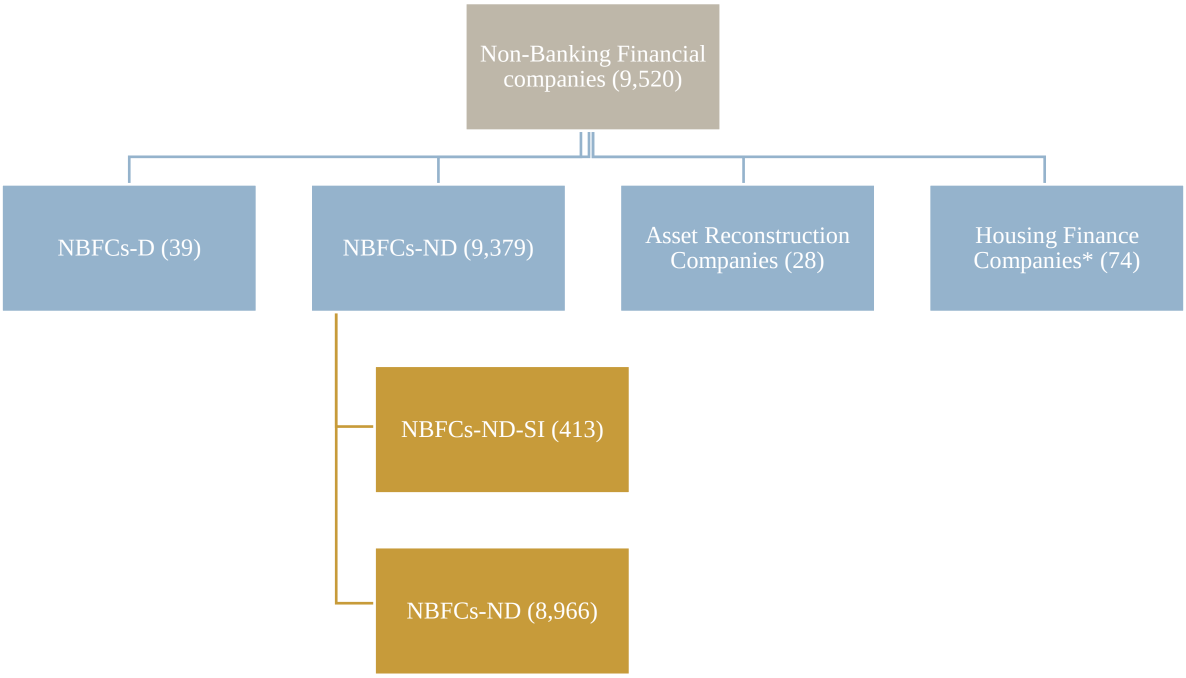
Constituents of NBFC industry in India

The Indian financial system includes banks and non-banking financial companies (NBFCs). Though the banking system dominates financial services, NBFCs have grown in importance by carving a niche for themselves by catering to customers in underbanked regions or those who would not be catered to by traditional financial institutions, due to absence of credit history or lack of proper collateral records.

Classification of NBFCs

NBFCs are classified based on liabilities into two broad categories: a) deposit-taking; and b) non-deposit-taking. Deposit-taking NBFCs are subject to requirements of capital adequacy, liquid assets maintenance, exposure norms, etc. Further, in 2015, non-deposit-taking NBFCs with an asset size of ₹ 50,000 Lakh and above were labelled as 'systemically important non-deposit taking NBFCs' ("NBFC–ND–SI") and separate prudential regulations were made applicable to them.

Classification of NBFCs based on liabilities

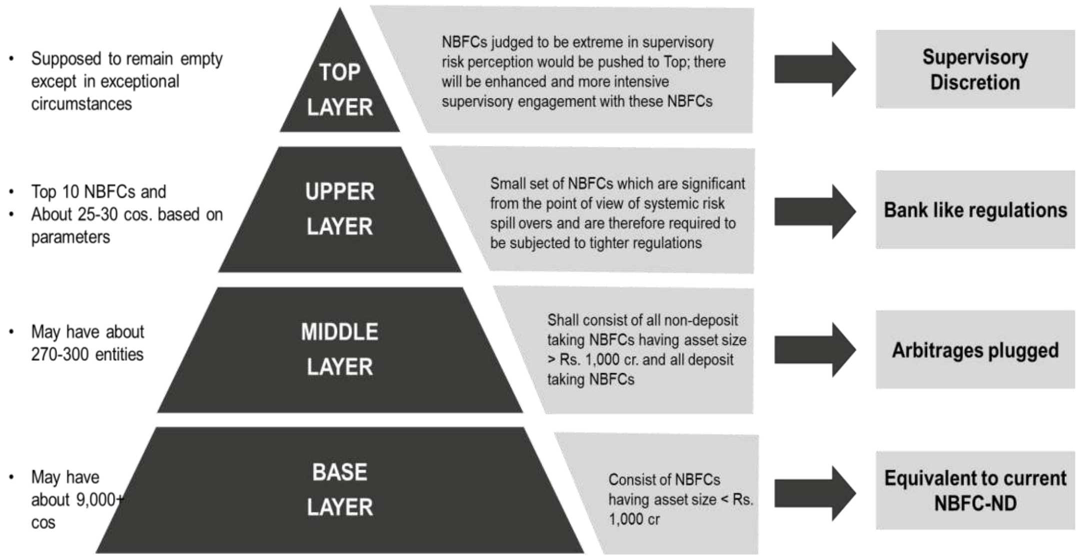


Note: (*) HFC which has more than 10,000 Lakh AUM. Figures in brackets represent the number of entities registered with RBI as of March 2023.
Source: RBI, CRISIL MI&A

Scale based approach proposed for NBFCs

In January 2021, the RBI had proposed a tighter regulatory framework for NBFCs by creating a four-tier structure with a progressive increase in regulation intensity in a discussion paper titled 'Revised Regulatory Framework for NBFCs - A Scale-based Approach'. Based on the inputs received, in October 2021, the RBI put in place a revised regulatory framework for NBFCs, which is in effect from October 2022.

As per the RBI's Scale-Based Regulation for NBFCs framework, the regulatory and supervisory framework of NBFCs should be based on a four-layered structure depending on their size, activity, and perceived riskiness: base, middle, upper, and top layers. NBFCs in the lower layer will be known as NBFC-Base Layer (NBFC-BL) and those in the middle layer will be known as NBFC-Middle Layer (NBFC-ML). NBFCs in the upper layer will be known as NBFC-Upper Layer (NBFC-UL) and will invite a new regulatory superstructure. There is also a top layer, which should ideally be empty.



Source: RBI, CRISIL MI&A

The RBI has taken a balanced view, and instead of going for a one-size-fits-all approach, it has opted for differential regulations based on the size and systemic importance of an NBFC. Furthermore, the importance of NBFCs in providing credit to underserved customers has been recognised. The RBI has not proposed imposition of CRR and SLR on NBFCs, which would come as a relief to NBFCs.

The proposed 9% common equity tier 1 ratio should not be difficult to manage as majority of NBFCs remain well capitalised. Caps on leverage levels would impact NBFCs in the mortgage business if limits are proposed in line with other asset classes. Differential standard asset provisioning will have a negative impact on NBFCs that have high exposure to sensitive sectors, such as commercial real estate (for example, CRE at a rate of 1.00% and CRE-RH at a rate of 0.75%; current norm for NBFCs is 0.4%). Cap of ₹ 100 lakh on IPO financing per individual would hurt NBFCs operating in this space. Following this regulatory change, some NBFCs falling in the NBFC-UL category may consider conversion into universal banks. Overall, we believe the scale-based approach will translate into greater regulatory oversight and better governance practices, which will structurally strengthen the sector.

The Reserve Bank of India (RBI) has identified 15 non-banking finance companies (NBFCs) for inclusion in the Upper Layer (NBFC-UL) under Scale Based Regulations (SBR) for non-bank lenders. These chosen NBFCs encompass a range of categories, including deposit-taking housing finance companies (HFC), non-deposit-taking HFC, deposit-taking NBFC-ICC (Investment and Credit Company), Non-deposit-taking NBFC-ICC, and core investment companies.

RBI tightens provisioning norms on Standard assets for NBFC Upper Layer

On June 6th, 2022, the RBI released a circular aligning provisioning for standard assets by NBFCs in the upper layer as per RBIs scale-based regulations with that prevalent with the banks, which would be effective from October 1, 2022. The impact of the norms is unlikely to be material as most large NBFCs already maintain Stage 1 and Stage 2 provisioning, which is comfortably higher than the required levels. The below table shows the provisioning that NBFC-ULs are required to maintain in respect of standard assets for the funded amount outstanding:

Provisioning norms for standard assets

Category of Assets	Rate of Provision
Individual housing loans and Small and Micro Enterprises	0.25%
Housing loans extended at teaser rates	2.00%, which will decrease to 0.40% after 1 year from the date on which the rates are reset at higher rates (if account remains standard)
Advances to Commercial Real Estate – Residential Housing (CRE - RH) sector	0.75%
Advances to Commercial Real Estate (other than CRE -RH) sector	1.00%
Restructured Advances	As stipulated in the applicable prudential norms for restructuring of advances
All other loans and advances not included above, including loans to Medium Enterprises	0.40%

Note: NBFC-UL includes non-banking financial companies and housing finance companies
Source: RBI, CRISIL MI&A

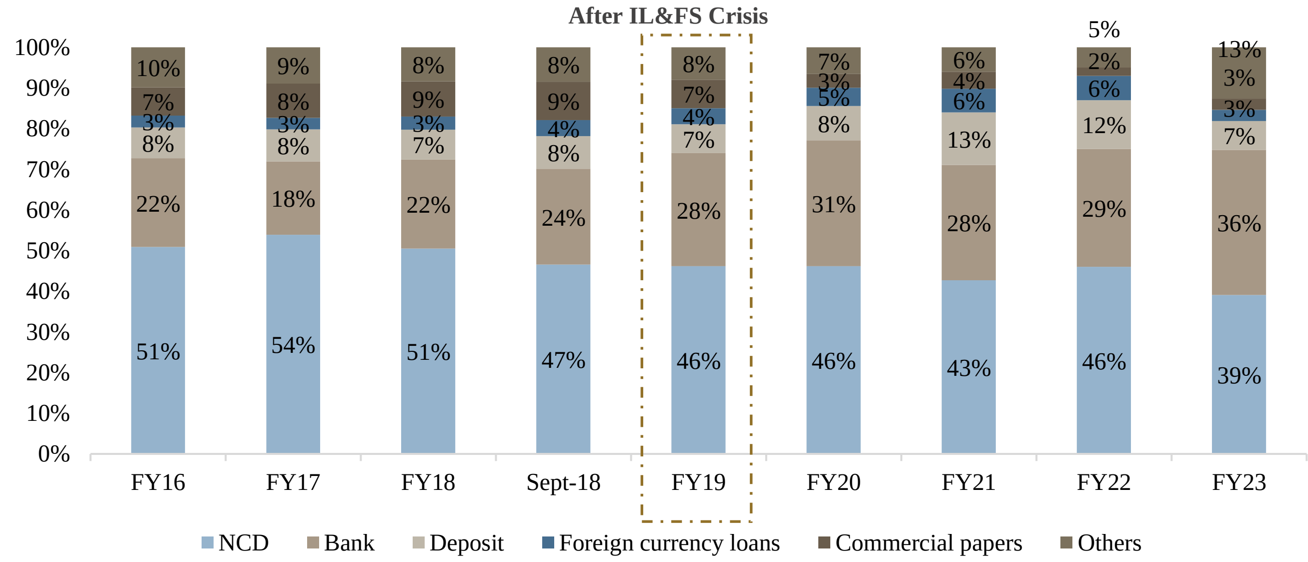
RBI issues Master Direction on Scale Based Regulation of NBFCs, 2023

The RBI published the Master Direction on Scale Based regulation (SBR) of NBFCs to bring an end to the basic categorization of systemically important and non-systemically important NBFCs, while the classification based on acceptance of public deposits and specialisation continues to be in force. In addition, considering the systemic importance, the SBR Master Directions has enhanced the corporate governance in middle layer and upper layer NBFCs. For instance, NBFCs that are part of a common Group or are floated by a common set of promoters shall not be viewed on a standalone basis. The total assets of all the NBFCs in a Group shall be consolidated to determine the threshold for their classification in the Middle Layer.

Banks continue to gain share in borrowing mix of NBFCs

In Fiscal 2023, NBFCs' borrowings from banks witnessed high growth resulting in an increase in share to 36% of total funding up from 29% at the end of fiscal 2022. The share of bank's lending to NBFCs have almost doubled during last 10 years. During fiscal 2023, with interest rate tightening and repo increasing by 250 bps to 6.50%, the cost of debt market borrowing increased leading to high-risk premium for lower rates NBFCs, leading to banks term loans becoming the preferred source of borrowing. This was also supported by improved credit growth during fiscal 2023 across all segments leading to higher demand of bank credit from NBFC. Going forward, CRISIL MI&A believes that funding access would gradually improve for NBFCs who are able to demonstrate strong performance & strong parentage. However, reliance on bank funding and funding from other NBFCs and small finance banks is expected to remain high in fiscal 2024.

Bank borrowings is expected to remain primary source of funds for the NBFCs, apart from NCDs

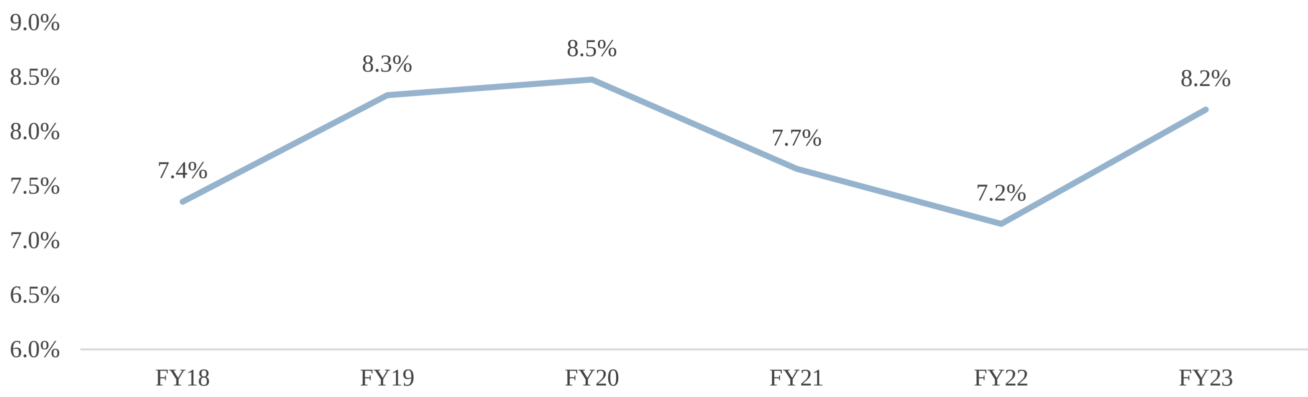


Note: Based on sample set of NBFCs accounting for more than 80% of overall borrowings of NBFCs as of March 2023; For Fiscal 2023, NCD includes Debt Securities and NCDs, Bank includes Banks and National Housing Bank, and Others include Related Parties, Foreign Institutions, External Commercial Borrowings, and other sources
Source: Company reports, CRISIL MI&A

NBFC borrowing cost increased in fiscal 2023 with reversal in interest rate cycle

Soaring inflationary pressures have resulted in the RBI reversing its accommodative monetary policy stance. As of February 2023, the benchmark repo rate has already been increased 250 bps to 6.5% from a base level of 4.0% on October 2020. As per CRISIL MI&A estimates, the rise in interest rate is anticipated to lead to NBFC debt being repriced at a higher cost. However, the borrowing cost for NBFCs in fiscal 2023 is still below pre-Covid-19 level.

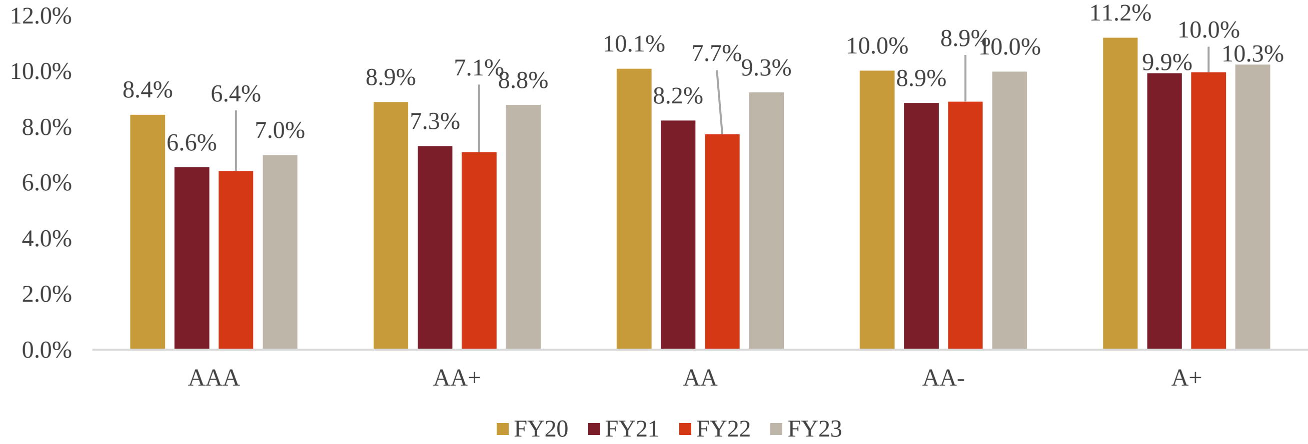
Increased borrowing cost for NBFCs in fiscal 2023



Note: Data represents cost of borrowing of players, which cumulatively accounts for 85% of overall NBFC AUM
Source: Company reports, CRISIL MI&A

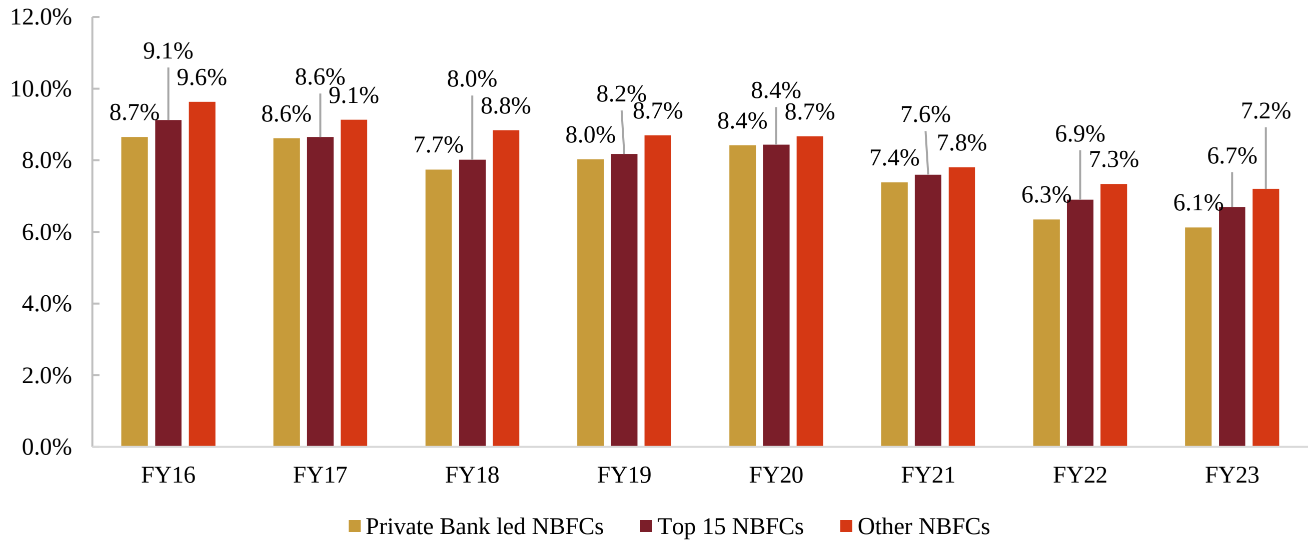
For AAA rated entities, the cost of borrowings remained well below 7% as of Fiscal 2023 and has reduced from approximately 9%-10% in Fiscal 2016. For A+ and above rated companies as well, the cost of borrowings has been below 10.3% in Fiscal 2023. Cost of borrowing has remained high for BBB category NBFCs.

Average Cost of borrowing trend by Ratings category



Source: CRISIL MI&A

Cost of borrowings trend by NBFC type

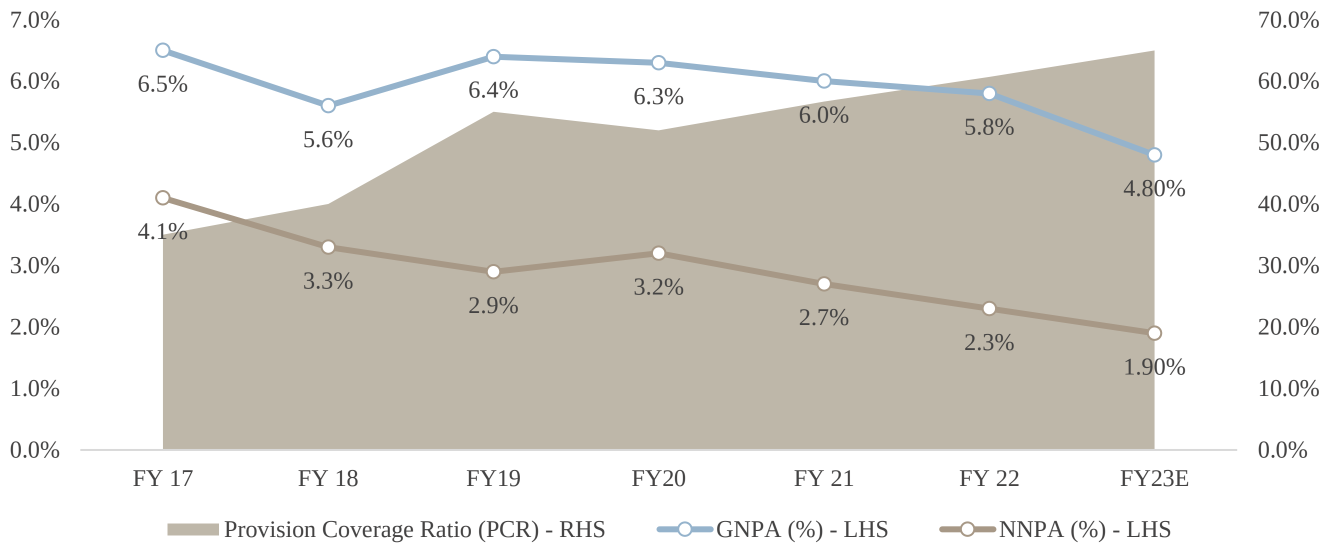


Note: The private bank led NBFCs are Axis Finance, Fedbank Financial Services, HDB Financial Services, ICICI Home Finance and Kotak Mahindra Prime; Top 15 NBFCs include are selected on the basis of consolidated AUM as of fiscal 2023; DHFL is excluded from top 15 NBFCs and other NBFCs.
Source: Company reports, CRISIL MI&A

Asset quality improved on account of efficiency in collection process and improvement in economic activity in Fiscal 2023

Asset quality for NBFCs is influenced by various factors such as economic cycle, target customer segment, geographical exposure, and local events. Within the NBFC universe itself, it is observed that various asset classes tend to exhibit heterogeneous behaviour. For example, the asset quality in small business loans and personal loans tends to be highly correlated with the macroeconomic environment. On the other hand, microfinance loans have shown lower historic correlation with macroeconomic cycles. This is because asset quality is more influenced by local factors, events that have wide ranging repercussions such as demonetisation and COVID-19 and relative leverage levels amongst borrowers.

NBFCs' GNPA ratio improved significantly at the end of Fiscal 2023



Note: E = Estimated
Source: RBI, CRISIL MI&A

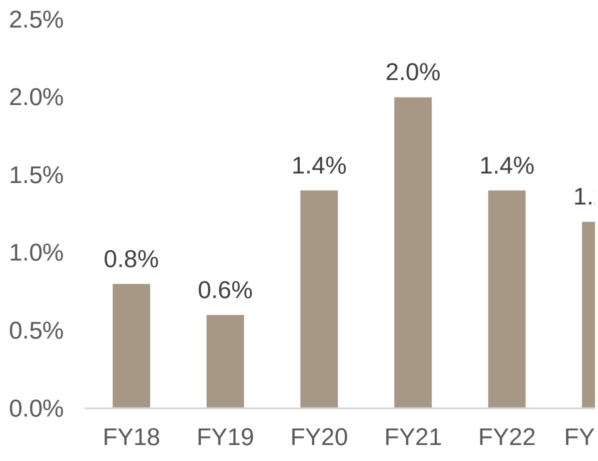
Asset quality metrics improved in Fiscal 2023 for two reasons. First is the RBI's follow-up circular dated February 15, 2022, deferring the implementation of the NPA upgradation norm till September 30, 2022. This provides a reasonable transition time for NBFCs to recalibrate processes, revamp their collection infrastructure and teams, and persuade borrowers to align with the new dispensation. Second is the expected improvement in macro-economic activity, which will act as a tailwind. The behaviour of loans restructured post-COVID 19 will, however, need to be closely watched, in light of cost push being felt by industries across the board.

Credit cost further declines, and profitability improved in Fiscal 2023 despite increase in borrowing costs

In Fiscal 2023, credit cost further declined on account of gradual recovery across sectors with the waning impact of pandemic and improving collection efficiency aiding it. Despite the increase in borrowing costs, the overall profitability of NBFCs improved in fiscal 2023, primarily on account of lower credit costs due to contingency provisioning buffers created over the course of the previous two Fiscals.

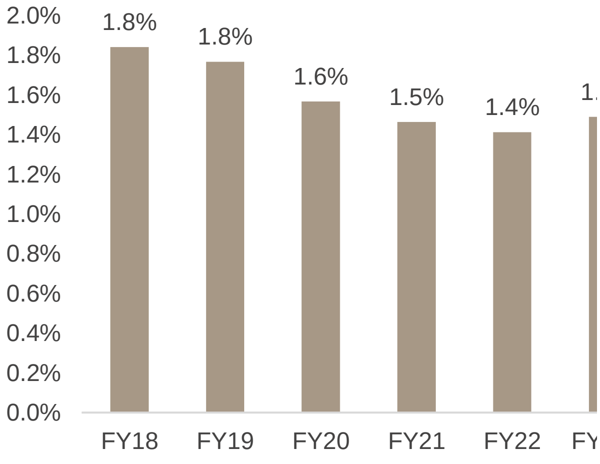
Profitability ratios of NBFCs

Reduction in credit costs for NBFCs in fiscal 2023



Note: E: Estimated
Source: CRISIL MI&A

Profitability (RoA) improved on account of decline in credit costs in fiscal 2023



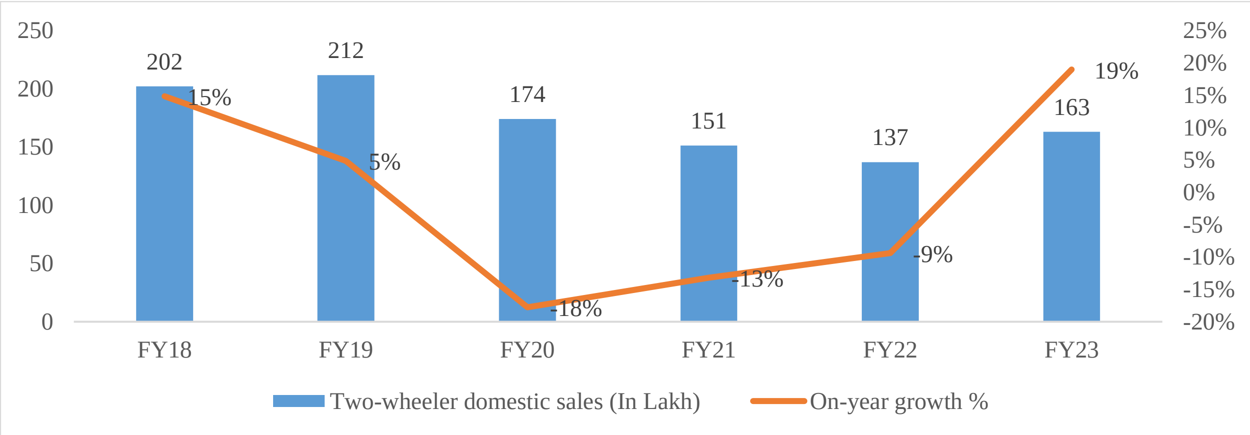
Note: E = Estimated
Source: CRISIL MI&A

Two-Wheeler Loans

Two-wheeler industry witnessed recovery in fiscal 2023

In fiscal 2020, sales fell sharply by 18% as the decline in economic growth hurt demand. In fiscal 2021 and 2022, sales continued to be under pressure due to the debilitating impact of Covid-19 on consumer incomes, especially in the lower middle-class segment, and emergence of work from home model. In rural India as well, the decline in manufacturing and service sector activity in the immediate aftermath of Covid-19 hurt demand, albeit lesser than in urban areas. The continued closure of key demand segments such as students in educational institutes also impacted demand. In fiscal 2023, two-wheeler sales witnessed significant growth of 19% in fiscal 2023 on a very low base due to improving demand sentiments and normalization of economic activities and mobility. Under two-wheeler segments, scooters grew at a faster pace than motorcycles as urban sentiments are recovering faster due to increased mobility driven by reopening of offices and educational institutes. However, overall sales volume is still below the pre-pandemic levels due to significant price hikes witnessed by two-wheeler segment in last three fiscals thereby affecting consumer sentiments.

Two-wheeler domestic sales clocked 19% on-year growth in fiscal 2023



Source: SIAM, CRISIL MI&A

Two-wheeler volumes are projected to improve by ~9-10% in fiscal 2024 after robust growth of 19% in fiscal 2023. This improvement in sales is expected to be driven by both motorcycle and scooters which are expected to record a ~9-10% growth each. Motorcycle sales will be driven by improving income sentiments, pick up in rural incomes with real rural wages turning positive. Furthermore, the normal monsoon prediction is likely to have a positive impact on the demand for motorcycles. Scooter sales will be driven by continued shift on account of scooteriation with reduction in FAME subsidy restricting further rise in electric sales.

However, despite the projected growth, the volumes in fiscal year 2024 are still expected to remain lower than the peak achieved in fiscal year 2019. The reason for this decline is attributed to significant price hikes witnessed in the two-wheeler segment over the past few fiscals, affecting both ownership and acquisition costs and subsequently dampening consumer sentiment. The acquisition price for an entry-level two-wheeler has surged by approximately 40-45% since fiscal year 2019 due to the implementation of safety norms, BS-VI compliance, and higher input costs.

Two-wheelers sales to improve in fiscal 2024 due to:

- Continued demand recovery post reopening of offices and educational institutions post pandemic
- Normalisation of economic activities
- Rural demand recovery due to normal monsoon and increased consumer spending
- Robust festive season demand
- Multiple models launches in EV by leading OEMs
- Softening inflation
- Incomes catching up with price hikes and inflation

Headwinds in demand recovery could be:

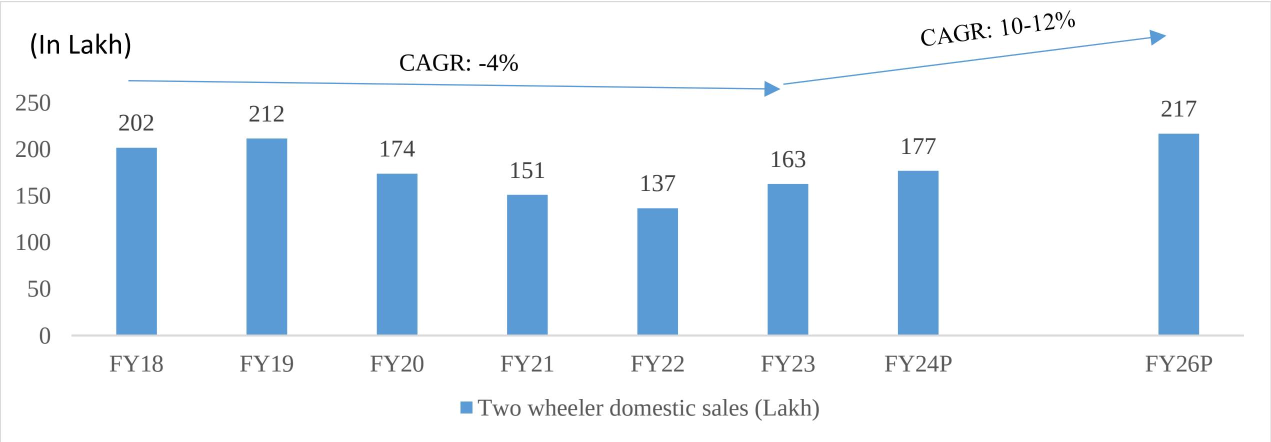
- El nino impact on monsoon and rural income sentiments
- Price hikes due to OBD 2 norms leading to 3-5% increase in of asset cost
- Reduction in FAME subsidy that has made EVs more expensive are expected to impact EV penetration

In the long-term, CRISIL MI&A expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 10-12% from fiscal 2023 to fiscal 2026 post a robust recovery in fiscal 2023. Improving rural productivity, diversification towards horticultural crops, government income support schemes and structural measures taken by the government such as PM-KISAN, eNAM, Pradhan Mantri Fasal Bima Yojna (PMFBY) to name a few, will aid rural income in the long run. This is expected to drive sales of motorcycle segment, which will be a primary beneficiary of the rural growth.

Scooters are expected to witness higher penetration in the rural market (scooters have an urban market share of ~65-75%) which will drive growth. The consumer preference shifting towards higher 'cc' scooters (125cc) is also likely to aid demand. This is due to a ramp up seen in road construction over the last few years. However, EV penetration is going to eat up scooters market share in the long run.

Moreover, mopeds, which account for 3-5% of domestic two-wheeler sales, are expected to decline the long run. Shift in consumer preference towards other vehicle segments and EV penetration will act as key reasons impacting moped sales.

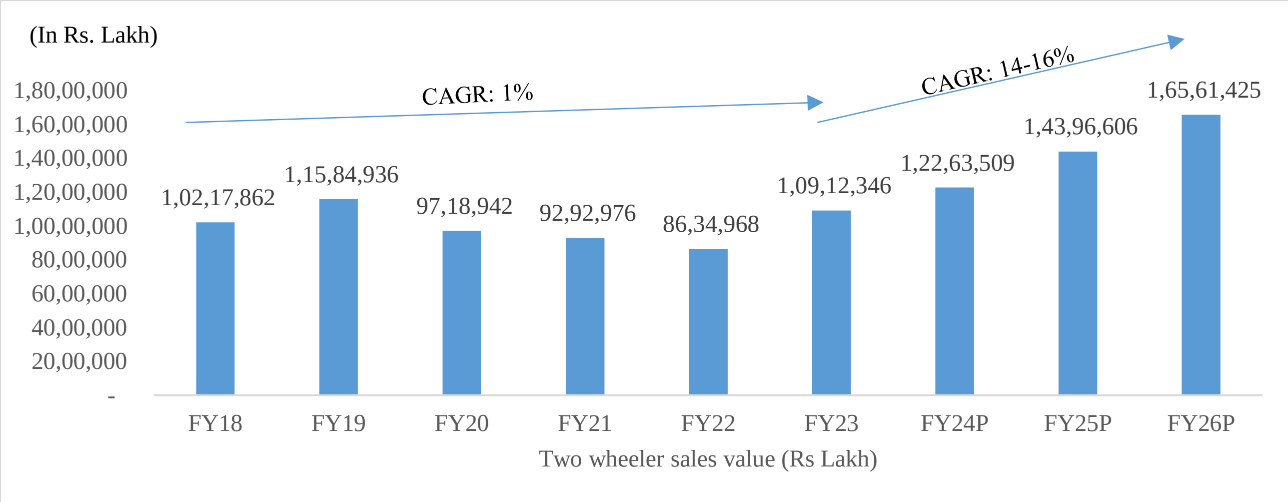
Growth in two-wheeler industry sales volume



P: Projected
Source: CRISIL MI&A

In value terms, CRISIL MI&A project the industry sales value to grow at a CAGR of 14-16% between fiscal 2023 to fiscal 2026.

Growth in two-wheeler industry sales value



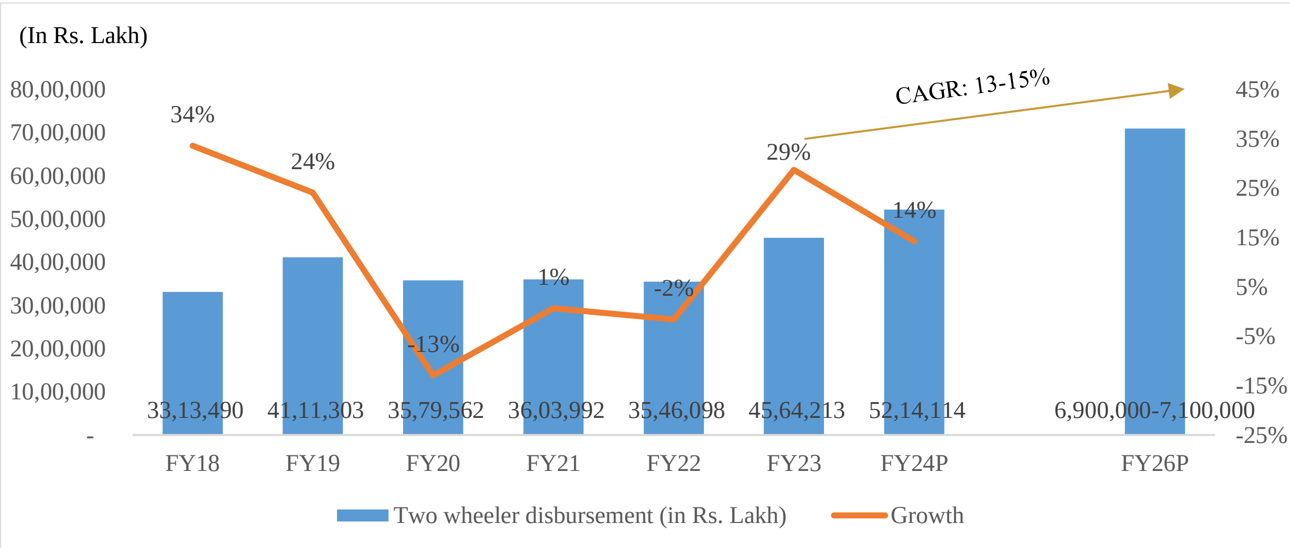
Note: P: Projected
Source: CRISIL MI&A

Two-wheeler disbursements expected to grow at a 13-15% CAGR from fiscal 2023 and fiscal 2026

Two-wheeler loan disbursements increased by 19% CAGR between fiscals 2015 and 2020, led by an increase in average vehicle prices, considerable shift of consumer preference towards premium segments (mostly in urban areas), increasing loan-to-value (LTV), and higher finance penetration.

Two-wheeler disbursement decreased by 2% in fiscal 2022 owing to 9% fall in two-wheeler sales during the fiscal due to increasing realisation. Two-wheeler sales increased 19% on year in fiscal 2023 on account of recovery in scooter sales as urban income sentiments improved and rise in EV penetration. CRISIL MI&A expects two-wheeler disbursements to grow at 13-15% CAGR from fiscal 2023 to 2026, driven by recovery in scooter sales with improvement in urban sentiments along with increase in two-wheeler EV penetration and improving rural infrastructure.

Growth in two wheeler loan disbursements



Note: P = Projected
Source: CRISIL MI&A

Factors influencing two-wheeler demand

Industry grappling with price hike due to BS VI transition in times of subdued demand

In fiscal 2021, with the launch of BS VI models, prices of motorcycles increased by 10-15% depending upon models. Due to the introduction of fuel injection technology in place of carburettor, the price of BS VI two wheelers went up. It must be noted that price impact in economy segment models is the highest because it required maximum technology upgradation.

Rural demand recovered in fiscal 2023 after being under pressure in previous years, expected to continue recovery in fiscal 2024

It has been observed that rural income growth is an important determinant of two-wheeler demand. Rural income is a major driver for motorcycle sales as it contributes about ~55-60% of total sales. As of fiscal 2023, motorcycles account for ~63% of overall two-wheeler volumes whereas scooters account for ~30-% and the rest is moped and EVs. In fiscal 2024, farm family income is expected to decline marginally. However, other sources of income such as MNREGA, remittances will improve leading to uptick in incomes.

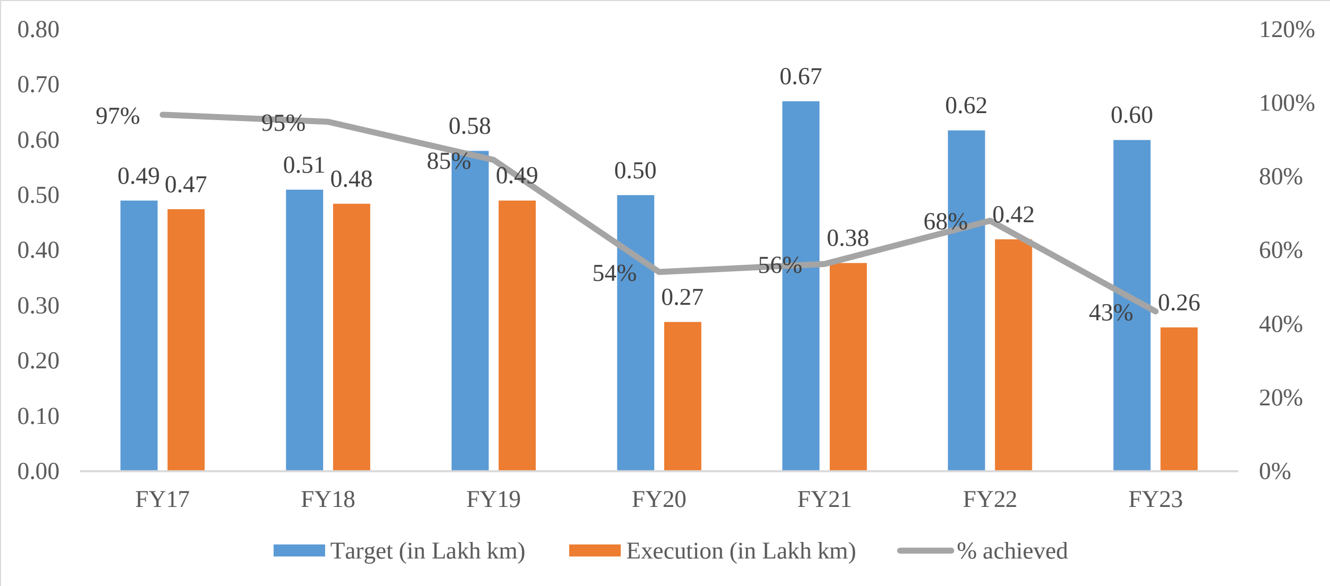
Income per farm family has been analyzed which includes income from cultivation, MGNREGA and dairy accounting for around 45-50% of the total rural income. In fiscal 2023, it increased by ~10% due to higher acreage, productivity, and increased government procurement. Income from MGNREGA reduced by ~9% on-year whereas income from dairy increased on-year on account of increased production and realization. The remaining share of the rural income comes from activities such as construction, poultry, and other informal jobs where income levels are expected to have contracted.

Looking at the non-farm income, rural infrastructure also has a pronounced impact on rural incomes and, in turn, two-wheeler sales. Under the Pradhan Mantri Gram Sadak Yojana (PMGSY-I) scheme I, launched in 2000, the government aims to build all-weather roads in rural India. The scheme involves the construction/ upgradation of rural roads. In 2013, the government also launched PMGSY-II for upgradation of selected Through Routes and Major Rural Links (MRLs) with a target to upgrade 0.5 Lakh Km in various states and UTs and further launched PMGSY-III in 2019 for consolidation of 1.25 Lakh Km Through Routes and Major Rural Links connecting habitations, inter-alia, to Gramin Agricultural Markets (GrAMs), Higher Secondary Schools and Hospitals.

As of June 2023, 6.45 Lakh km road length was sanctioned under PMGSY-I out of which 6.22 Lakh km road has been completed. Under PMGSY-II, a total of 0.50 Lakh km road length was sanctioned and 0.49 Lakh kms has been completed as of June 2023. Under PMGSY-III, a total of 1.02 Lakh km road length was sanctioned, and 0.62 Lakh km has been completed as of June 2023.

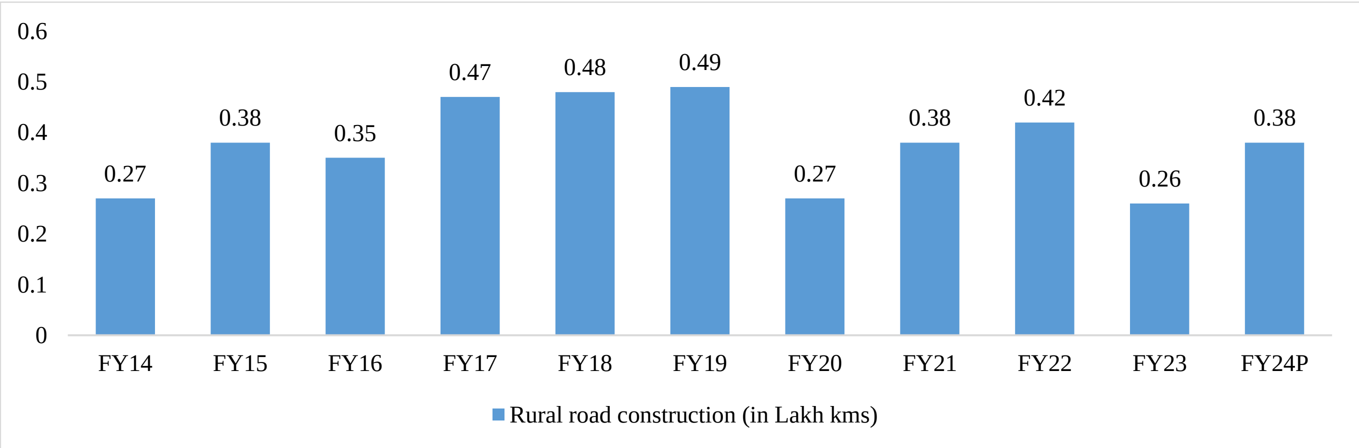
Rural road construction (in kms) was almost half in fiscal 2020 at ~0.27 Lakh kms construction, as compared with ~0.49 Lakh kms in the previous year. Fiscal 2021, saw construction of ~0.37 Lakh kms, while fiscal 2022 construction was ~0.42 Lakh kms. In fiscal 2023, rural road construction remained muted and failed to achieve the year's target. In fiscal 2024, the target for rural road construction has been slashed to 0.38 Lakh km.

PMGSY execution shows a substantial decline after rising significantly till fiscal 2019 on account of budgetary constraints



Source: Ministry of Rural Development, CRISIL MI&A

Rural road construction



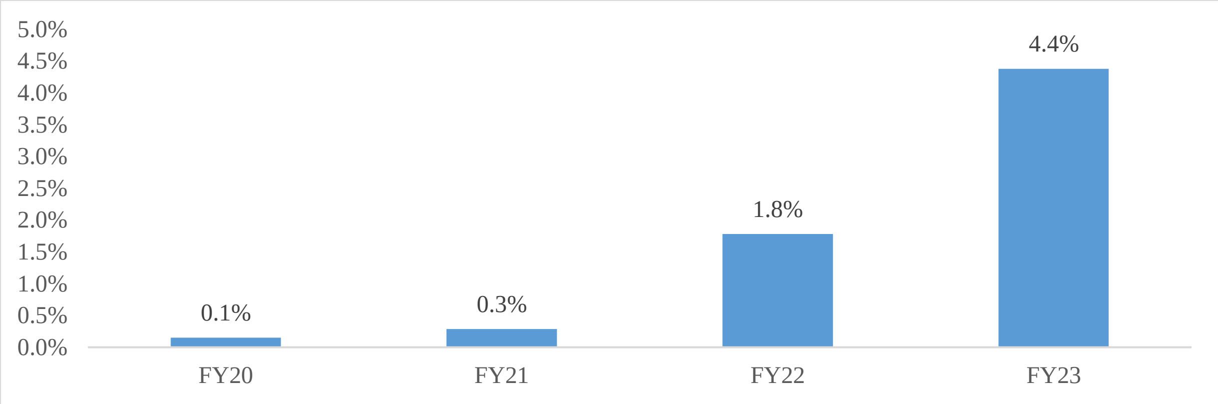
Note: –Execution for fiscal 2024 is Target set by government
Source: Ministry of Rural Development, CRISIL MI&A

Electric two-wheelers to contribute ~27-32% of domestic two-wheeler sales by fiscal 2028, adoption to ramp up

In order to curb pollution levels, electric vehicles (EV) are gaining global interest. In India as well, electric vehicles are gaining popularity as the government is extending support via Faster Adoption and Manufacturing of Hybrid and Electric (FAME)-2 vehicles and tax rate cuts to give a boost to EV adoption.

In fiscal 2023, total electric two-wheelers (eTW) sales were recorded at 7.26 lakh units vs. 2.52 lakh units sold in fiscal 2022 (188% growth on year). 22-25% of the eTW sold in fiscal 2022 were low-speed scooters compared to ~70-73% in fiscal 2021 with maximum speed of 25km/hr and do not need registration with the transport authorities. The low-speed scooter segment is highly unorganized. Many players import parts largely from China and assemble these in India. These being low in cost at around Rs 0.3 Lakh, having low speed as well as range are used for short distance commute.

Share of Electric Two Wheelers (e-TW) in total domestic two-wheeler sales is increasing rapidly



Source: SIAM, CRISIL MI&A

Electric two-wheeler market penetration was 4.5% in fiscal 2023 and we expect electric two-wheeler penetration to grow to 4-6% in fiscal 2024. On account of exhaustion of FAME subsidy in fiscal 2024 and no plans of continuation announced by the Government yet, Electric vehicles uptake is estimated to see a speed bump in fiscal 2024 on account of the jump in total cost of acquisition until battery prices cool off and OEM's launch cheaper variants of their offerings. Also, reduction in FAME subsidy w.e.f. from 1st June 2023 to act as a speed breaker to EV sales in fiscal 2024.

By fiscal 2028, even though, cost of acquisition is expected to marginally inch up due to lack of subsidy, localization of batteries coupled with wider availability of scooters, economies of scale and launch of lower priced variants with smaller battery packs are projected to offset it which will lead to Total ownership cost being more lucrative for EV scooters even in FY28. Therefore, CRISIL expects e-TW penetration to be ~27-32% by fiscal 2028. Shift in consumer preferences, increasing e-TW demand and penetration, and higher cost of acquisition are expected to further support the two-wheeler finance industry.

Structural reforms in EV space

- **FAME Scheme Phase I & II: Phase I –** The Ministry of Heavy Industries, Government of India, launched FAME (Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India) India Scheme Phase I in 2015 as part of its National Electric Mobility Mission Plan (NEMMP) 2020, with an aim to promote electric vehicles in India by providing subsidies to manufacturers and infrastructure providers of electric vehicles. Phase I was extended till 31st March 2019 which was implemented through four focus areas namely demand creation, technology platform, pilot project and charging infrastructure.

  Phase II – Phase II of the FAME Scheme commenced from 1st April 2019 with an outlay of Rs. 1,000,000 Lakh. This phase aims to generate demand by supporting 0.07 lakh eBuses, 5 lakh e-3 Wheelers, 0.55 lakh e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. Moreover, it focuses on electrification of public & shared transportation and creation of charging infrastructure. Phase II of the subsidy scheme has stricter localization norms and is aimed at promoting domestic manufacturing of electric vehicles and components. Due to this, majority of vehicles have not been able to meet the criteria. Under FAME I, 88 models of electric two wheelers manufactured by 18 manufacturers were eligible for subsidy. Under FAME II, this has been reduced to 19 models by 9 manufacturers. In fiscal 2019, 1.2 lakh electric two wheelers were sold out of which ~90% were low speed (<25 kmph scooters). As per the data released by SMEV (Society of Manufacturers of Electric Vehicles) and VAHAN portal, in fiscal 2023, 73 lakh EV two wheelers were sold where share of high speed EVs increased to 86% from 77% in fiscal 2022.

  On June 1, 2023, the government reduced the FAME subsidy incentive cap from 40 percent of a vehicle's value to 15 percent and capped the subsidy to Rs 0.1 Lakh per kWh of battery from Rs 0.15 Lakh per kWh earlier. Due to which, manufacturers such as Ola, TVS and Ather had to increase the prices of their electric scooters. This led to major setback in EV sales momentum in the month of June. The government extended the FAME II scheme making this scheme applicable till 31st March 2024.

- **PLI Scheme**: The Ministry of Heavy Industries notified the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India on September 23, 2021, with a budgetary outlay of Rs 2,593,800 Lakh. The key objectives of the PLI Scheme are to provide financial incentives to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. The scheme focuses specifically on EVs and Hydrogen fuel cell vehicles and their components. The inclusion of a PLI scheme of this magnitude, combined with existing schemes like FAME, multiple state subsidies and the ACC scheme provide a direct fiscal incentive for the brands. The PLI scheme introduced for the automobile and auto components sector has gathered proposed investments worth Rs 6,769,000 Lakh against the target estimate of investment of Rs 4,250,000 Lakh over a period of five years.

- **PLI Scheme for automotive sector**: The Ministry of Heavy Industries notified the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India on September 23, 2021, with a budgetary outlay of Rs 2,593,800 Lakh. The key objectives of the PLI Scheme are to provide financial incentives to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. The scheme focuses specifically on EVs and Hydrogen fuel cell vehicles and their components. The inclusion of a PLI scheme of this magnitude, combined with existing schemes like FAME, multiple state subsidies and PLI scheme for Advanced Chemistry Cell (ACC) provide a direct fiscal incentive for the electric two-wheeler brands. The PLI scheme introduced for the automobile and auto components sector has gathered proposed investments worth Rs 6,769,000 Lakh against the target estimate of investment of Rs 4,250,000 Lakh over a period of five years.

- **PLI Scheme for Advanced Chemistry Cell (ACC)**: The Ministry of Heavy Industries notified the Production Linked Incentive (PLI) Scheme for Advanced Chemistry Cell (ACC) in June 2021 with a budgetary allocation of Rs. 1,810,000 Lakh. The scheme aims to establish a competitive ACC battery manufacturing set up in the country and strengthen the ecosystem for electric mobility.

- **GST reduction on EVs**: The 36th GST Council Meeting held in July 2019 reduced the GST rate on electric vehicles from 12% to 5%. However, lithium-ion batteries and charging stations attract 18% GST.

- **Exemption from permit requirements**: In September 2018, to scale up its efforts in pushing eco-friendly transportation in India, the government decided to exempt all electric vehicles and all vehicles that run on alternative fuel like ethanol, biodiesel, CNG, methanol and biofuel, from permit requirements.

- **Road tax exemptions**: Following the notification of Ministry of Road Transport and Highways (MoRTH), various state governments like Uttar Pradesh and Punjab decided to exempt electric vehicles from road tax and registration fees.

Urban demand assessment

Demand for scooters mainly stems from the urban population, which accounts for 65-75% of the overall demand. Scooter demand picked up faster than motorcycle segment in FY23 as the urban mobility is recovering to normal with offices and educational institutions reopening post Q3 and Q4 of FY22. Urban demand sentiments continued improvements in Q1FY24 with reopening of offices and educational institutions. Going forward, in the urban areas, demand is expected to be aided from multiple ownership and an increase in demand from Tier 2 cities.

Key Industry Parameters

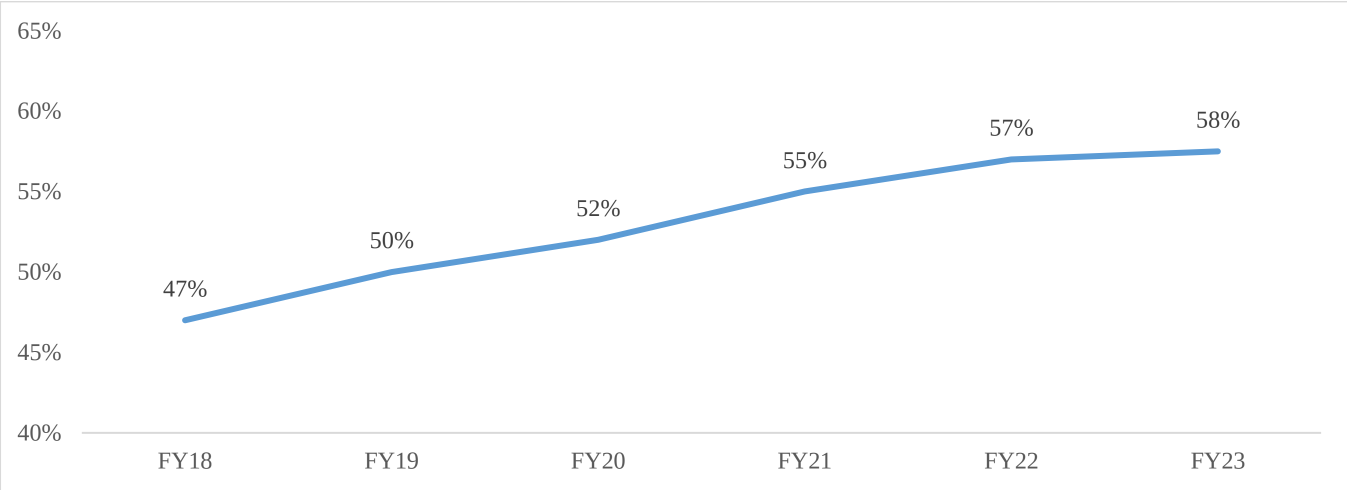
Finance penetration estimated at ~58% in fiscal 2023

Cash transactions continue to dominate two wheelers' sales, as compared with other automobile segments, given the industry's smaller ticket sizes, relatively lower-income profile of customers, high default rates, and difficulty in repossessing vehicles.

The industry has witnessed strong competition with new players in the form of new NBFCs entering the market, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros and rural markets. Finance penetration is estimated to have increased to around 58% in fiscal 2023 from 47% from fiscal 2018 due to increasing options available to customers. CRISIL MI&A project finance penetration to further increase, and cross 60% over the next four years.

Average yields on two-wheeler loans given by NBFCs range between 20-28%, with yields being higher for rural-focused players.

Finance penetration on the rise

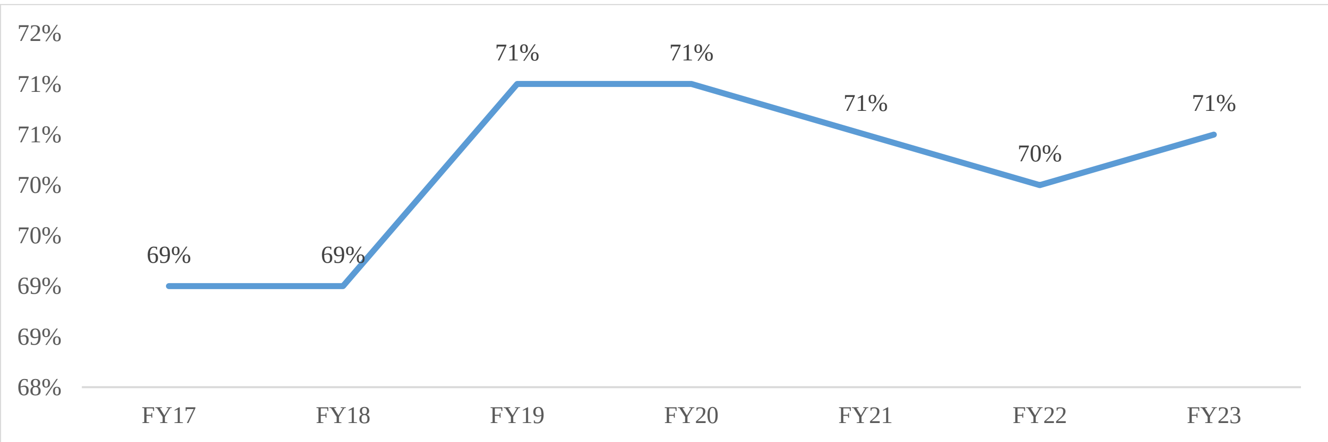


Source: CRISIL MI&A

LTVs to improve in-line with demand recovery

Cash transactions continue to dominate two-wheelers sales, as compared with other automobile segments, given the industry's smaller ticket sizes, relatively lower-income profile of customers, high default rates, and difficulty in repossessing vehicles.

The industry has witnessed strong competition with new players in the form of non-banking financial companies (NBFCs) targeting those markets exited by banks, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros and rural markets, while delinquencies remain key monitorable. During covid, financiers were being more apprehensive in providing two-wheeler loans. Lending was available more to customers with stable income and good track record. In fiscal 2023, Subdued demand owing to high-cost increase led to financiers offering a wide range of schemes and promotions like low down payment, attractive EMI options, no charge on processing fees, etc., in order to attract more customers for small ticket size purchases. Additionally, OEMs started offering discounts across various models in order to push sales. In FY23, retail sales of two-wheelers improved by 25% on year on a lower base of FY22. This led to increase in LTV in fiscal 2023. Going forward, LTVs are expected to increase further as demand sentiments improve.

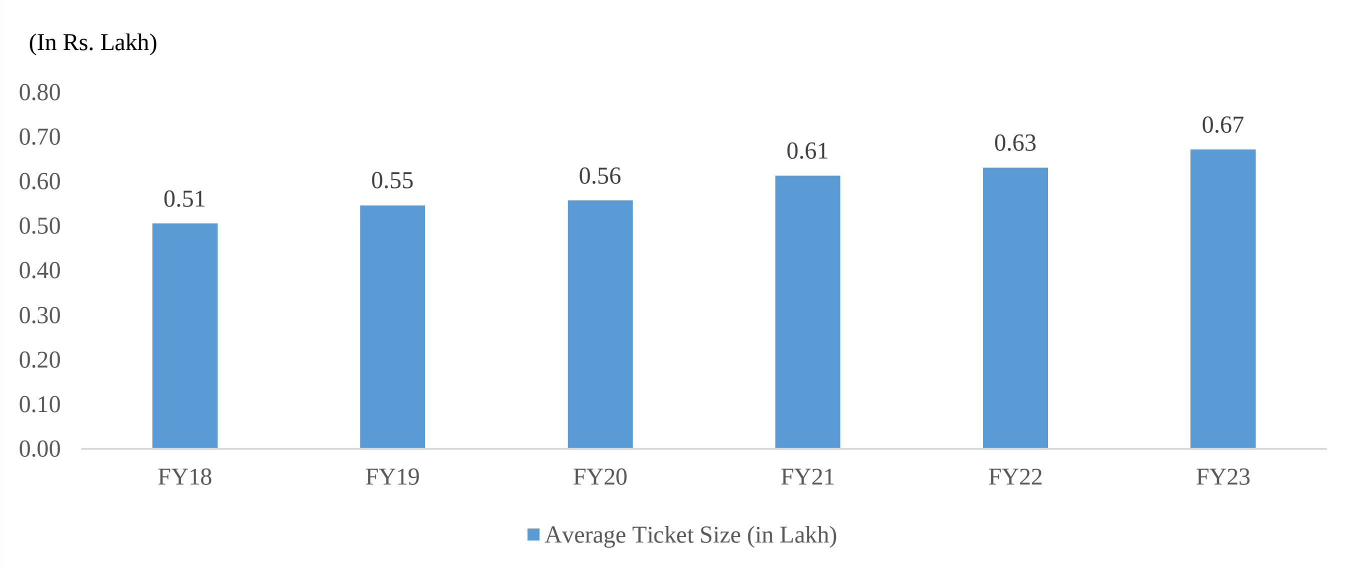


Source: CRISIL MI&A

Increase in average ticket size on account of rising vehicle prices

Two-wheeler segment witnessed significant price hikes in last few fiscals affecting both ownership and acquisition costs and subsequently dampening consumer sentiments. The acquisition price for several entry-level two-wheelers increased exponentially due to the implementation of safety norms, BS-VI compliance, and higher input costs.

CRISIL MI&A expects an increase in the average ticket size of loans, led by an increase in the average vehicle price, a considerable shift in consumer preference towards premium-segment vehicles, increasing proportion of urban people and rising LTV ratios. CRISIL MI&A estimate a further 3-5% rise in the average ticket size as two-wheeler prices increase.



Source: CRISIL MI&A

NBFCs poised to dominate two-wheeler financing on better rural penetration

The two-wheeler financing segment is increasingly becoming a stronghold of NBFCs due to their greater ability to tap rural markets by offering loans at rates much lower than those of unorganised peers. Limited presence of banks in rural markets also helps them. Major captive NBFCs in the segment are Bajaj Finance, Hero FinCorp, TVS Credit Services, and Mahindra Finance and major non-captive ones are Shriram Finance and Muthoot Capital, among others. Though weaker demand sentiments have delayed their expansion, NBFCs remain poised to dominate the two-wheeler financing segment this fiscal as well as banks are likely to tread the space carefully.

Factors favouring banks and NBFCs:

(i) For Banks –

- Banks have a stronghold on two-wheeler financing in urban areas due to which their two-wheeler GNPAs are lower than that of NBFCs. Banks mainly cater to salaried customers offering better terms as asset quality risk is perceived to be lower.

- Banks can offer variable interest rates based on customer credit history to attract more customers and gain share in the segment.

- As a result, pre-tax return on assets (RoAs) are set to remain rangebound between 4% and 5%

(ii) For NBFCs:

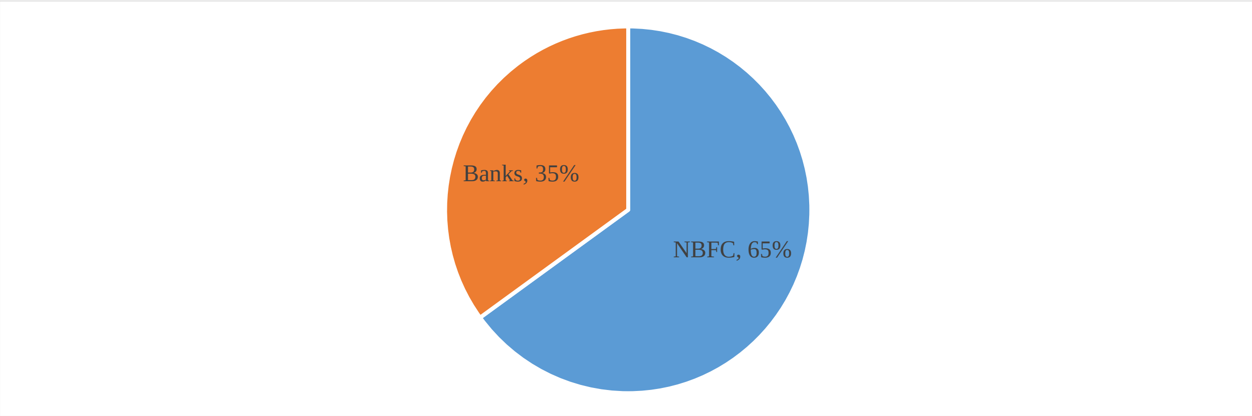
- Two-wheelers are more popular in the rural and semi-urban areas. Thus, captive players, who have a hold in these areas, can capitalise on it to increase their share.

- The under-penetrated rural market will be the key growth segment for NBFCs. Rising income will be further aided by better rural connectivity and rising participation of women in both, urban and rural areas.

NBFCs have been usurping market share from banks

CRISIL MI&A estimates NBFCs' share in two-wheeler financing to be 65% in fiscal 2023. Financers have been offering a wide range of schemes and promotions (such as low-down payment, attractive EMI options, waiver of processing fees) to attract more customers for small ticket-sized purchases.

NBFCs account for 65% of two-wheeler financing (as of March 2023)



Source: Company reports, CRISIL MI&A

Key factors driving competitiveness of NBFCs

Better presence in rural markets

Rural demand is expected to aid two-wheeler growth in the long term, and this will be backed by rising farm incomes and improving rural infrastructure, especially as the government continues to invest in developing rural roadways. Greater ability of NBFCs (generally smaller NBFCs) to tap specific markets and/or customer segments by offering financing at much lower rates than the unorganized sector will enable them to retain their strong market position.

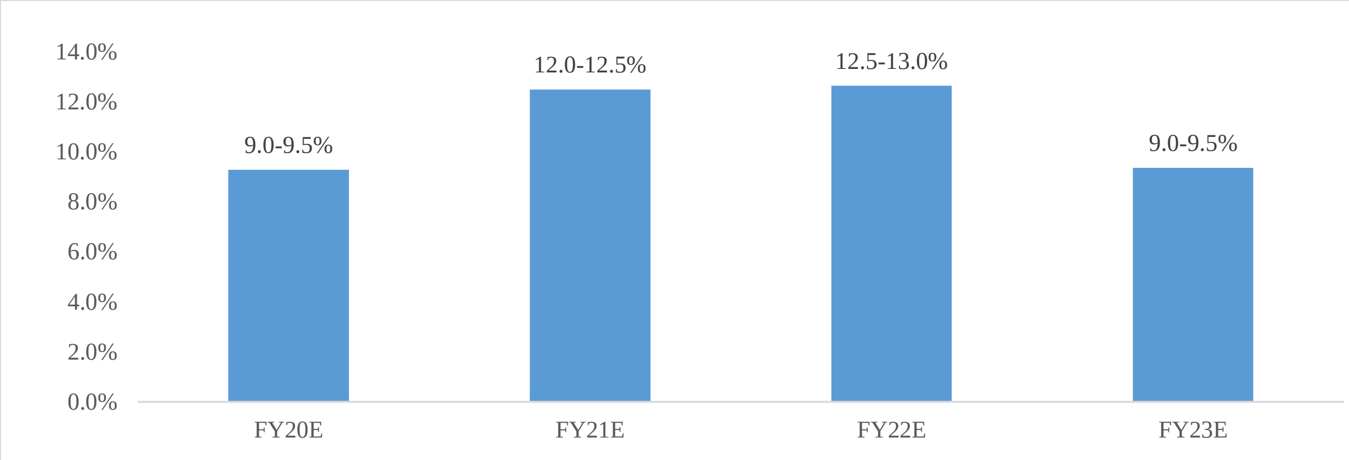
Better LTV and schemes by NBFC players

NBFC's offers a wide range of schemes and promotions such as low-down payment, attractive EMI options, no charge on processing fees to attract more customers. Moreover, with increase in the cost of acquisition caused by BS-VI and other regulations, customers are looking for financing options with higher LTV and schemes.

Asset quality returned to pre-pandemic levels in fiscal 2023

The stress levels for NBFCs, which peaked during the pandemic, have now returned to their pre-pandemic levels. The GNPA has seen a downturn however the stress is still on the higher end. This was reflected in the improvement in the GNPA of players, the GNPA course has been corrected from a high of 12.5-13.0% in the fiscal 2022 to 9.0-9.5% in fiscal 2023 to a projected moderate downfall in the fiscals 2024 and 2025. However, the asset quality for as two-wheeler is expected to remain range bound given the characteristics of the underlying borrower segments.

GNPA trend of NBFCs in two-wheeler loans



P: Projected
Source: Company reports, CRISIL MI&A estimates

Profitability of NBFCs in two-wheeler loans

Ratios	FY20E	FY21E	FY22E	FY23E	FY24P	FY25P
NIMs	17.03%	16.65%	16.15%	16.81%	17.39%	17.81%
Opex	6.00%	5.90%	6.05%	6.20%	6.10%	6.10%
Credit costs	4.70%	7.00%	6.50%	5.00%	4.80%	4.70%
RoA	4.24%	2.51%	2.41%	3.76%	4.35%	4.70%

E: Estimated P: Projected
Source: Company Reports, CRISIL MI&A

Overview of used two-wheeler financing market in India

Due to India's growing population and rapidly increasing traffic congestion, motorized vehicles are used by commuters of all ages, with two-wheelers being the most suitable, fuel-efficient, and practical form of transportation in cities. However, the total cost of ownership of new two-wheelers, which includes insurance, maintenance, fuel cost and loan repayment, has risen exponentially in the past few years. Hence, the demand for used two-wheelers has witnessed a consistent rise over the past few years, excluding the year of covid-pandemic. The rising cost of owning a new two-wheeler was further fuelled by the implementation of BS VI Standards by the government in April 2020 has now made used two-wheelers significantly less expensive than new ones, which has further pushed the growth of used two-wheeler market in India.

Several organized used two-wheeler players have started providing loan facilitation services thereby making the process of availing used two-wheeler loans much easier for the customers. Moreover, the popularity of e-commerce platforms in the country has led to the emergence of the used two-wheeler market online. Most of these online platforms have partnered with numerous banks and NBFCs to give loans to its consumers, hence becoming a one-stop solution for used two-wheelers. The amount of loans for used two-wheelers is rising dramatically in rural areas.

Going forward, rising cost of owning a new two-wheeler in India, rising fuel prices, and increasing e-commerce platforms as one stop solutions are expected to drive the growth of used two-wheeler finance in India.

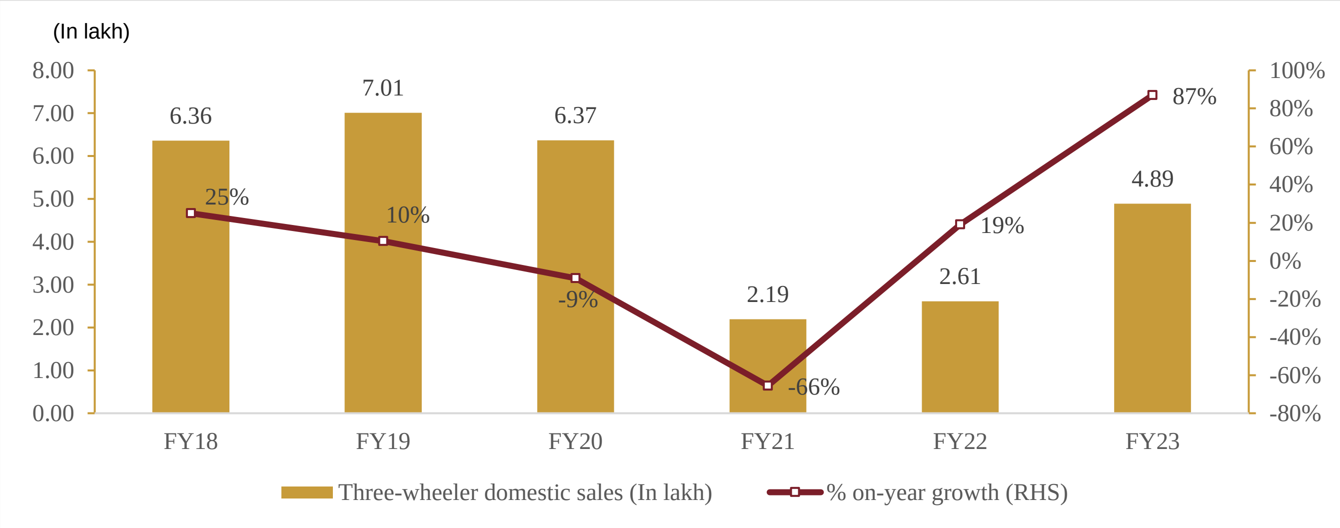
Three-Wheeler Loans

Three-wheeler Industry witnessed strong recovery in fiscal 2023

The three-wheeler (3W) market in India was severely hit during the pandemic as three-wheeler domestic sales witnessed 66% of de-growth in Fiscal 2021 owing to reduced requirement of commutation with closure of offices, schools, and other public places, and increased preference of personal mobility. However, as the pandemic withered away and lockdowns ceased, three-wheeler domestic sales increased at 19% on-year in fiscal 2022 on lower base. In Fiscal 2023, the sales increased by a massive 87% on-year due to improving demand sentiments and normalization of economic activities and public mobility. Going forward, CRISIL expects the demand for three-wheelers will continue with increasing traction towards electric three-wheelers as well in Fiscal 2024.

The three-wheeler sector has been among the first to embrace e-mobility, especially in fleet and shared transportation particularly in Tier-2 and Tier-3 cities. In Fiscal 2018, the share of EV three-wheeler sales in overall Three-wheeler sales stood at 14%, which has increased to 82% in Fiscal 2023. Companies like Mahindra (e-Alfa, Treo Zor), Kinetic Green (Passenger and Cargo), Paggio (Ape Electric series), Smart E, among others, are leading this shift, with Electric 3W Cargo carriers expected to see traction in activity with increasing interest from last mile delivery partners of Flipkart and Amazon.

Three-wheeler domestic sales registered 87% on-year growth in fiscal 2023



Source: SIAM, CRISIL MI&A

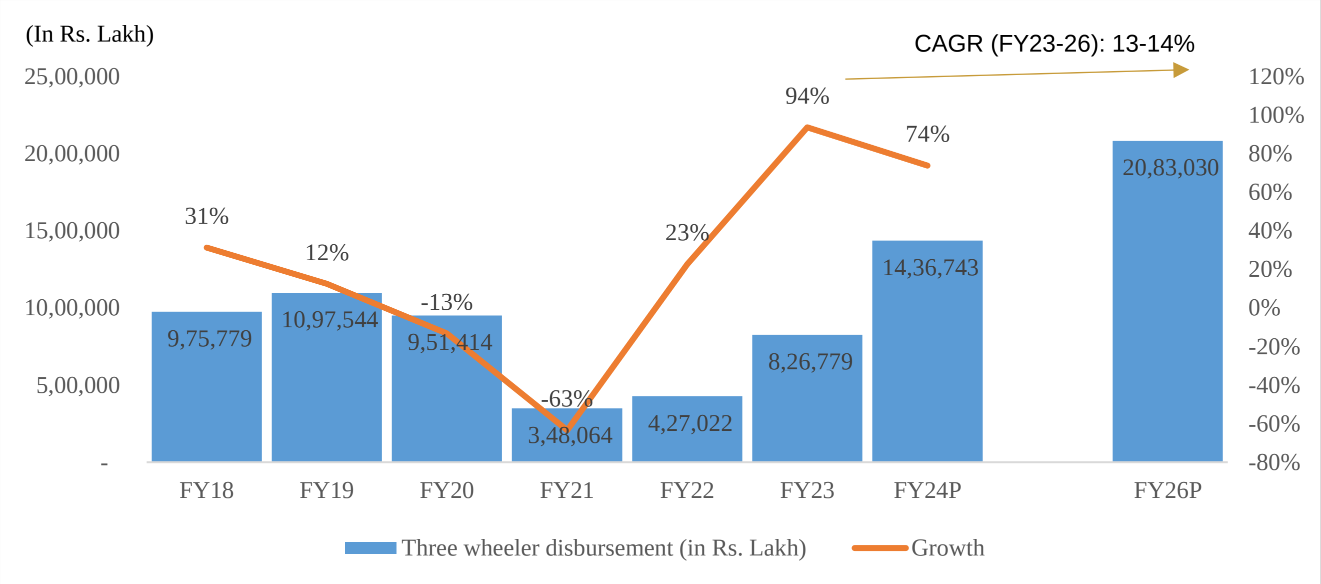
As per the reports of Federation of Automobile Dealers Association (FADA), three-wheeler sales recorded an exponential growth of 66% on-year as of H1FY24, consistently registering exceptional growth every month. The growth was led by positive market sentiments and increasing demand of electric three-wheelers in India. Around 5.3 lakh three-wheeler units have already been sold during first half of fiscal 2024, outperforming previous best of H1FY19 which recorded sale of 3.6 lakh units of three-wheelers. This remarkable success in the 3W category highlights the industry's strong comeback.

Three-wheeler disbursements to inch up this fiscal, catch up with pre-Covid rage

Three-wheeler segment witnessed a fall in disbursements during fiscal 2020 and fiscal 2021 on account of lockdown and lower demand. Though pandemic-related restrictions hampered production (and hence supply) in the first quarter of fiscal 2022, the disbursements started picking up slowly from the second quarter onwards. Additionally, with the improvement of economic activity and lifting of travel restrictions, sales volumes rebounded in the second quarter of fiscal 2022 boosting the disbursements for the full year. In Fiscal 2023, three-wheeler disbursements have witnessed robust growth of 94% led by higher demand, growth in sales and higher finance penetration.

CRISIL MI&A expects three-wheeler disbursements to grow at 13-14% CAGR from fiscal 2023 to 2026, driven by improvement in urban sentiments along with increase in three-wheeler EV penetration. EV penetration is expected to increase in fiscal 2024 supported by the increase in charging stations, lower cost of acquisition and newer model launches from OEMs.

Three-wheeler disbursements recorded a robust 94% growth in fiscal 2023; momentum to continue in fiscal 2024



Source: CRISIL MI&A Estimates

Key Industry Parameters (Three-wheelers)

Finance Penetration to improve over the long term:

Finance penetration as of Fiscal 2023 is estimated at 96% and is expected to improve marginally in the near term.

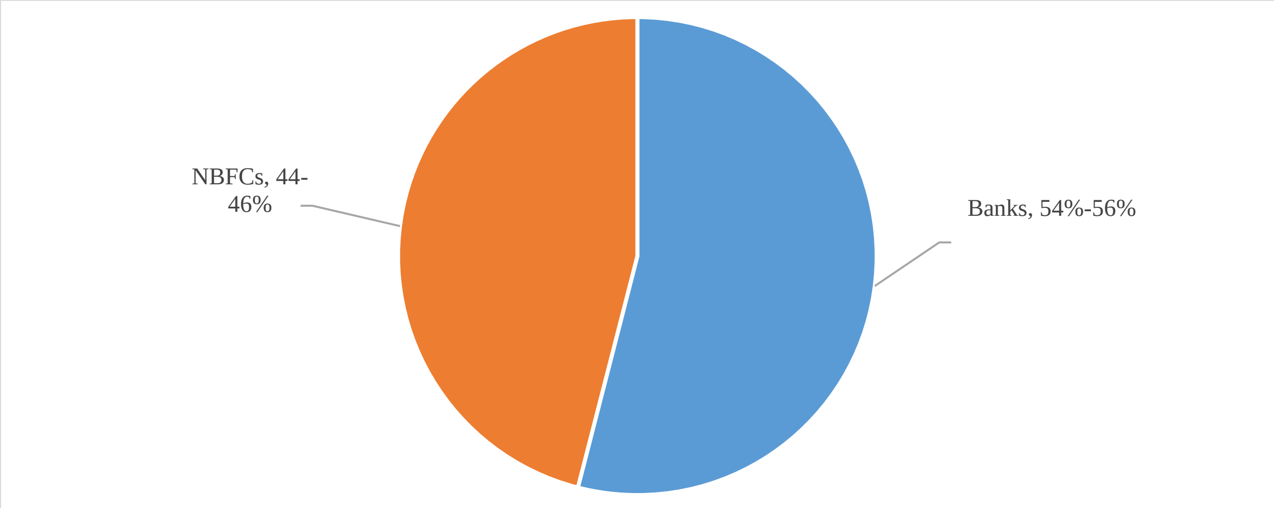
LTVs to improve gradually in the near term

LTVs for three-wheeler loans is expected to increase on account of easing restrictions, and improving collection efficiencies, however LTVs are expected to remain below pre-covid levels.

Share of captive NBFCs in the three-wheeler segment to improve 100 bps over the next two fiscals

NBFCs are expected to tap greater market share in the upcoming fiscals in the three-wheeler loan market. Factors supporting it would include NBFCs ability to tap rural and tier 2, tier 3 markets and deeper connect. Lower reach of the banks is expected to constrain their ability to increase their share in overall borrowing. Also, the three-wheeler customers' credit quality is not as good as that of passenger vehicles or two-wheeler segments as the delinquency is higher in three-wheeler financing. Because of this, banks have been cautious of the segment and will remain so. Some of the key players in the industry include captive financiers such as Mahindra Finance, Bajaj Finance and Hinduja Leyland Finance and major non-captives are Cholamandalam Finance and Muthoot Capital, among another smaller auto financing ones.

Market share of various lenders (FY2023)



Source: CRISIL MI&A

Key factors driving competitiveness of NBFCs in three-wheeler financing

Better presence in rural markets

The greater ability of NBFCs to tap specific markets and/or customer segments by offering financing with low documentation is a key driver for growth for NBFCs.

Better LTV and schemes by NBFC players

NBFC's offers a wide range of schemes and promotions such as lower down payment, attractive EMI options, no charge on processing fees to attract more customers. Moreover, with increase in the cost of acquisition caused by BS-VI and other regulations, customers are looking for financing options with higher LTV and schemes.

Used Car Loans

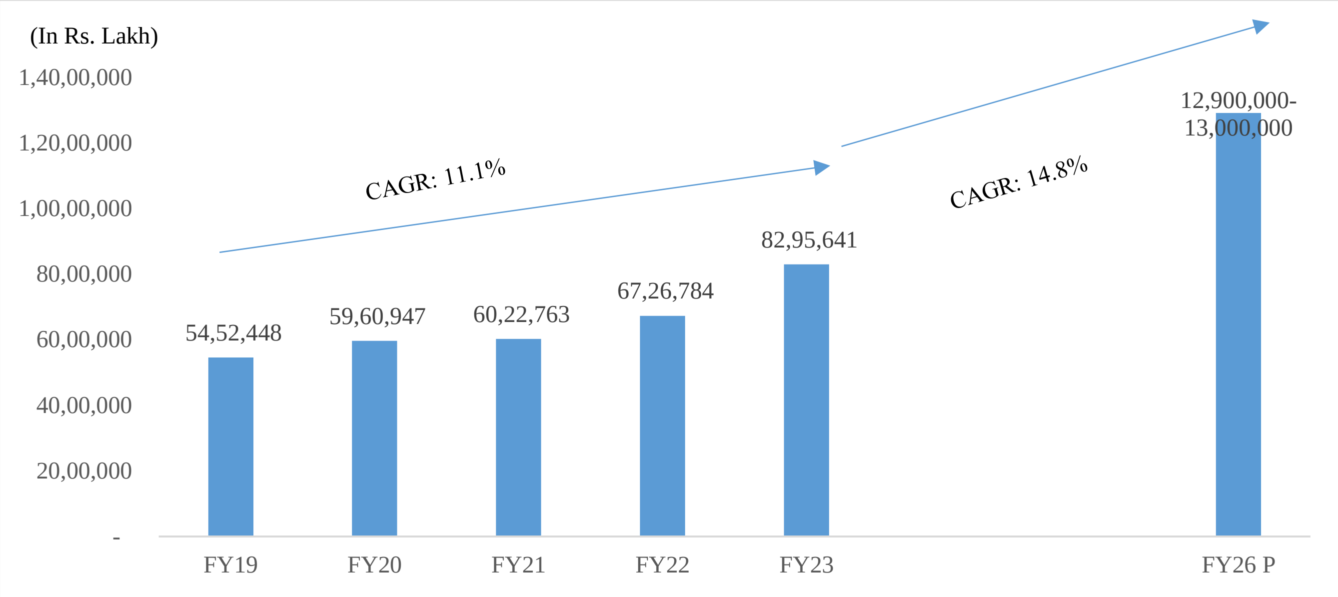
Used car market to grow at a faster rate in coming years

The used car market primarily serves new buyers looking for cost-effective entry-level vehicles. Over the past few years, the used car market in India has witnessed an unprecedented surge with the luxury segment emerging the major contributor of growth. This has led to the rise of the thriving luxury used car market, which we believe can continue to grow in coming years. The increase in demand for used cars will be primarily driven by the sale of new cars, which perpetuates more used vehicles to be available, to cater to the needs of the customer.

With the change in shift, the unorganized used car market in India is also evolving into a more formalized one with more small dealers or brokers, semi-organised dealers and direct C2C sales, getting involved into the ecosystem. Further, market consolidation and entry of OEMs and new car dealership in the organised used car market has caused an increase in awareness and preference of certified used cars in India. These certified use car undergoes a thorough inspection, thereby ensuring reliability and quality, and hence providing the end customer a comfort to consider them as their first car.

On account of these changes in the market and customer preference, CRISIL MI&A estimates the total size of the used car financing market to be around Rs. 8,300,000 Lakh at end of March 2023.This market size includes loans provided by banks and NBFCs for used cars, which has grown at a CAGR of ~11% between fiscals 2019 and 2023. CRISIL MI&A projects the overall industry growth to be faster at 14-15%, as compared to 11% in the past owing to an increase in the middle-class population in the country, higher disposable income, increasing formalization of the sector and the greater availability of used cars.

Used Car Financing Market projected to reach Rs. 13,000,000 Lakh as of March 2026

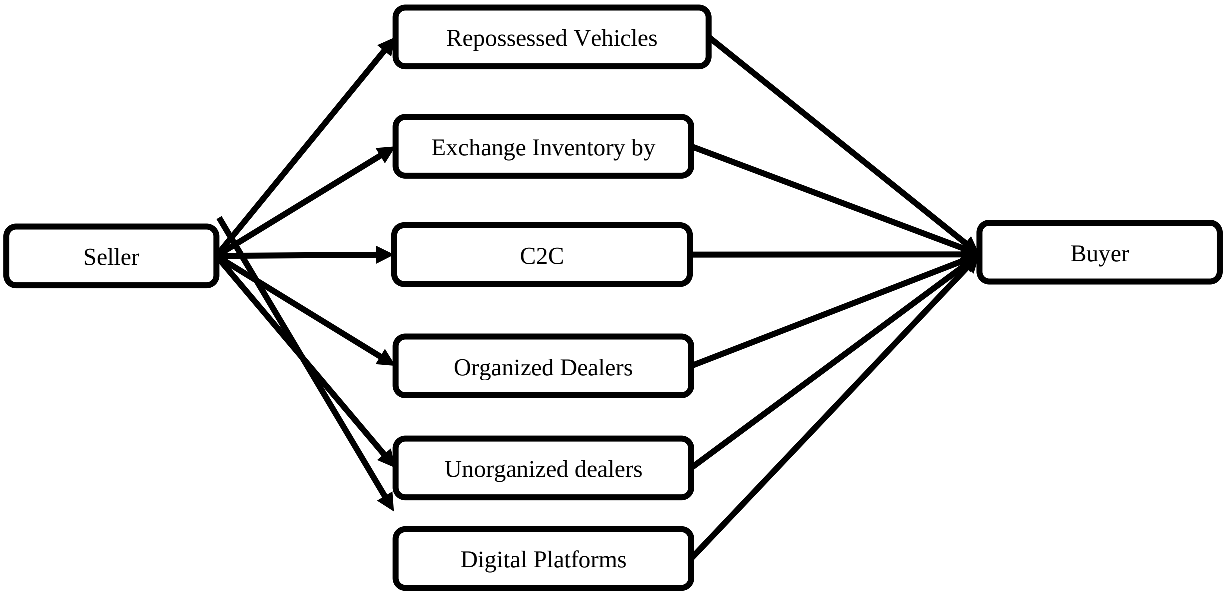


Source: Industry, CRISIL MI&A Estimates

Ecosystem of used vehicle market

India's used car sector exhibits fragmentation, encompassing independent dealers or brokers without physical premises and institutional dealers operating from physical locations or associated with disorganized setups and branded showrooms. Roughly the large majority of dealers function within unorganized structures. Exchanged vehicles from new car dealerships flow into used vehicle outlets managed by established manufacturer-backed entities like True Value and Mahindra First Choice. Meanwhile, smaller, local, or unaffiliated dealers source vehicles from multiple channels—sellers, agents, digital platforms, and trade-ins from new car dealers. Structured and unstructured dealers recondition these vehicles and exhibit them in showrooms with adjusted prices. At these outlets, customers access financing, insurance, and warranties.

Primary revenue streams for organized players include vehicle sales and commissions from third-party financing and insurance. Moreover, the sale of used vehicles complements new car sales by offering trade-in options for customers' existing vehicles.



Note: ***Repossessed vehicles*** *refer to vehicles that banks or insurance companies have taken back from the original owners due to default on loan payments or insurance claims;* ***Exchange inventory*** *refers to vehicles accepted by* *new car dealers as part of a trade-in deal when a customer purchases a new vehicle from them;* ***C2C*** *represents direct transactions between customers without intermediary involvement;* ***Organised Dealers*** *are the dealers with sales showroom and workshop; It also includes OE backed dealerships such as True Value, Mahindra First Choice etc;* ***Unorganized dealers*** *are those dealers without a proper sales infrastructure and lack workshop facilities, which includes classified platforms and direct selling; Classified platforms are digital spaces where dealers list vehicles for sale, enabling them to connect with potential customers;* ***Digital platforms*** *serve as the online storefronts or virtual retail spaces for entities such as OlxAuto, Spinny, and Cars24 in the automotive industry.*

Source: Industry, CRISIL MI&A

Manufacturer-associated dealerships, mainly established entities, have expanded their presence into digital platforms to enhance their traditional business models. Potential buyers can browse vehicle inventory and dealership details online, visit physical stores for test drives, and finalise purchases. Additionally, online platforms within these original equipment (OE) chains offer added services such as financing and insurance.

Industry rebounded after Covid-19

Over recent years, the Indian market has experienced a notable surge in the used car segment. Changing buyer demographics and the frequent introduction of feature-rich vehicles have shortened replacement cycles, contributing to increased supply in the market. Additionally, the accessibility of competitive financing options, the emergence of digital platforms, and the escalating prices of new cars have further spurred demand within the used car industry. As Fiscal 2024 progresses, the used car industry has gradually normalized following the reopening of the economy and is expected to witness strong traction going forward.

Growth Outlook and Key Growth Drivers

Utilizing digital platforms for lead generation in the growing e-commerce landscape

The digital revolution has played a vital role in transforming how businesses operate across industries; the automobile industry is no exception. New-age platforms have emerged that help new car dealerships run efficient used car programs not just in Tier 1 markets, but also in Tier 2 and 3 markets where potential lies largely untapped. This has caused OEMs like Mahindra First Choice, Maruti Suzuki True Value, Hyundai Promise, Toyota Trust, Honda Auto Terrace, and others to foray into the used car market. Further, Digital platforms such as Spinny, CarWale, Cars24, Droom, LeleCarr, GaadiBazaar, Shriram Automall, and Ola Cars, among others, are gaining traction in the organized segment, and with the integration of digital technology, this growth is poised for further acceleration.

By prioritizing their online presence, these firms can effectively tap into a vast pool of potential clients. These technological advancements are enhancing customer outreach, improving buying experiences, ensuring transparency in vehicle valuation and pricing, and bolstering customer retention for automotive dealerships. This expansion in reach indirectly amplifies dealer revenues.

Elevated replacement rates and shifting consumer preferences

The accelerated replacement cycle of cars has amplified both the demand and supply for used cars. New vehicles are now being replaced approximately every 4-5 years, broadening the options available to customers seeking used cars. In the wake of the COVID-19 pandemic, there has been a notable shift in consumer preferences towards personal vehicles, reflecting a desire for reduced contact with public transport. The heightened need for individual mobility, increased consumer aspirations, augmented disposable income, shortened replacement cycles, and improved financial accessibility has caused a surge in used car sales.

Surge in transport aggregator services

The proliferation of online taxi and rental services, exemplified by industry leaders such as Uber, Ola, InDrive, Meru cabs, Carzonrent, ZoomCar, has significantly expanded the reach of used car dealerships. This trend is expected to continue with these aggregators deepening their penetration in Tier 2 and Tier 3 markets in the coming years.

Enhanced Financing Accessibility

Growing support from financiers, coupled with favourable interest rates and higher Loan-to-Value ("LTV") ratios, is set to elevate finance penetration levels. These changes are poised to bolster the market for used cars vehicles in the country.

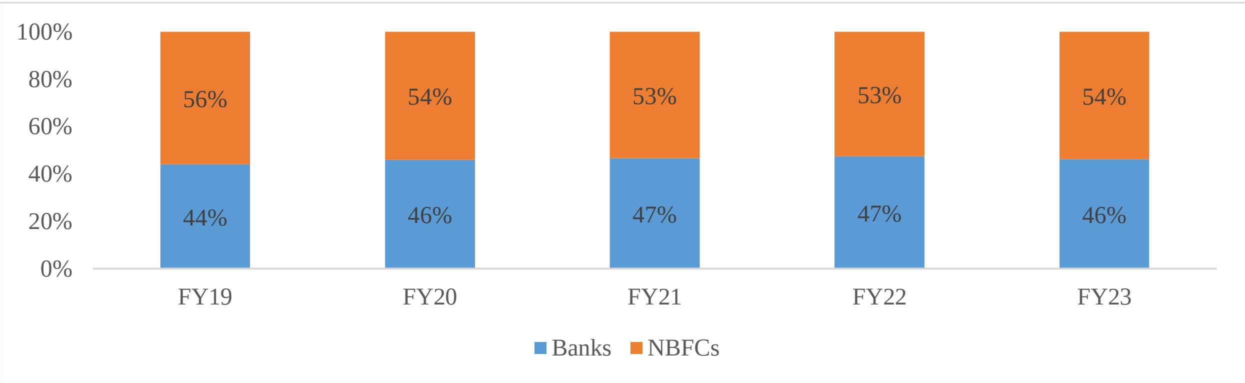
Escalating Ownership Costs of New Vehicles

Annual price escalations undertaken by OEMs to offset rising material costs and comply with evolving safety and emission standards contribute to increased ownership expenses. Moreover, the trend towards premiumization in the mass and premium car sector is anticipated to drive up average vehicle prices further. The rise in the price of new cars and the increased cost of ownership of new cars makes used cars an attractive option for customers seeking vehicle ownership at a lower cost.

Market share of various lenders (2023)

As of Fiscal 2023, NBFCs have established a strong foothold in the used car segment by prioritizing customer needs, ensuring swift processing, delivering excellent customer service, and expanding their geographical coverage. Their cumulative market share in outstanding used car loans is estimated to be approximately 54% as of fiscal 2023. CRISIL MI&A expects the market share of NBFCs in this segment to grow over the same range.

NBFCs have more than half the market share for used cars loans as of fiscal 2023



Source: Company Reports, CRISIL MI&A

Asset Quality

In fiscal 2021, the Gross Non-Performing Assets (GNPAs) of NBFCs experienced an uptick, primarily attributed to the pandemic-induced circumstances that led to sluggish growth in used car sales and slowing down on mobility and car aggregator services. However, the situation improved after opening up of economic activity. GNPAs stood at 3.9% as of March 2021, which improved to 3.5% as of March 2022 and 2.2% as of March 2023. Going forward CRISIL MI&A expects the asset quality to improve and moderate around 1.8% - 2.0% on account of strong traction of rising automobiles and adoption by buyers due to greater formalization of the market.

Profitability

The used car market is experiencing an improving ecosystem for financing due to increasing formalisation and rising financial penetration. The used car loans experience higher interest rates than new cars due to higher Opex required in refurbishment and valuation of cars, and marginally elevated credit costs. Within the sphere of used car loans, NBFCs operating in this sector have been able to maintain a net interest margin ("NIMs") ranging from 7.5-9%, Opex ranging between 2.5-3.5%, with profitability, i.e. return on assets hovering around 2.4% to 3.5%. CRISIL MI&A estimates the profitability of this segment to grow in fiscal 2023, owing to better credit costs and increased interest yields. Going forward, in fiscal 2024, borrowing costs are projected to stabilize or show a slight upward movement. The overall profitability of used car loans is anticipated to remain stable, driven by sustained higher interest income.

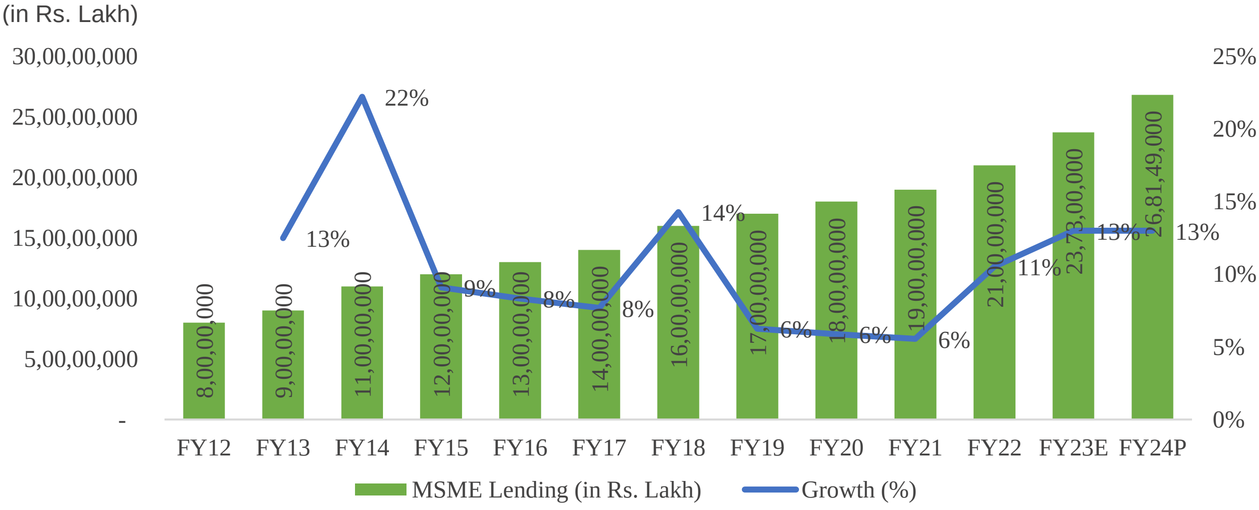
MSME Loans

Overall MSME lending has grown at a CAGR of 10% in the past decade

CRISIL MI&A estimates the total size of MSME lending market across ticket sizes and various player groups (banks, NBFCs, small finance banks, and other formal lenders) to be around ₹ 237,300,000 Lakh as of March 2023. This market size includes loans taken by MSMEs across various constitution types (sole proprietorships, partnership firms, private and public limited companies, and co-operatives) and the ticket size spectrum, and includes loans extended in the name of the firm/entity/company as well as the individuals in case of micro enterprises or entrepreneurs.

CRISIL MI&A estimates loans to MSMEs to have grown at a CAGR of 10% during Fiscal 2012 to Fiscal 2023, which is similar to the nominal GDP growth in this period. This can be attributed to various events during this time span that has impacted MSMEs – demonetisation of high-value currency loans in November 2016, the implementation of GST subsequently, the economic slowdown in Fiscal 2020 followed by the COVID-19 pandemic. In Fiscal 2023, with recovery in economic activity, MSME lending is estimated to have grown at a 13% growth rate year-on-year. In addition, in Fiscal 2024, CRISIL MI&A projects the MSME overall industry growth to be at 13% - 15% owing to budgetary push and rise in entrepreneurship in India.

MSME credit outstanding estimated at ₹ 237,300,000 Lakh as of March 2023



Source: CRISIL MI&A estimates

COVID-19 pandemic led to a heavy impact in the MSME industry in Fiscal 2021 which was also seen in the first quarter of Fiscal 2022. ECLGS schemes aimed to reduce the impact of the COVID-19 pandemic on the MSME sector. The first half of Fiscal 2022 was also impacted by the second wave leading to lower disbursements to these MSMEs. This led to the extension of the ECLGS scheme which cushioned the impact of COVID-19 pandemic. ECLGS scheme led by revival of economic activities, strong exports and domestic growth prompted MSME lending to grow at 13% in Fiscal 2022.

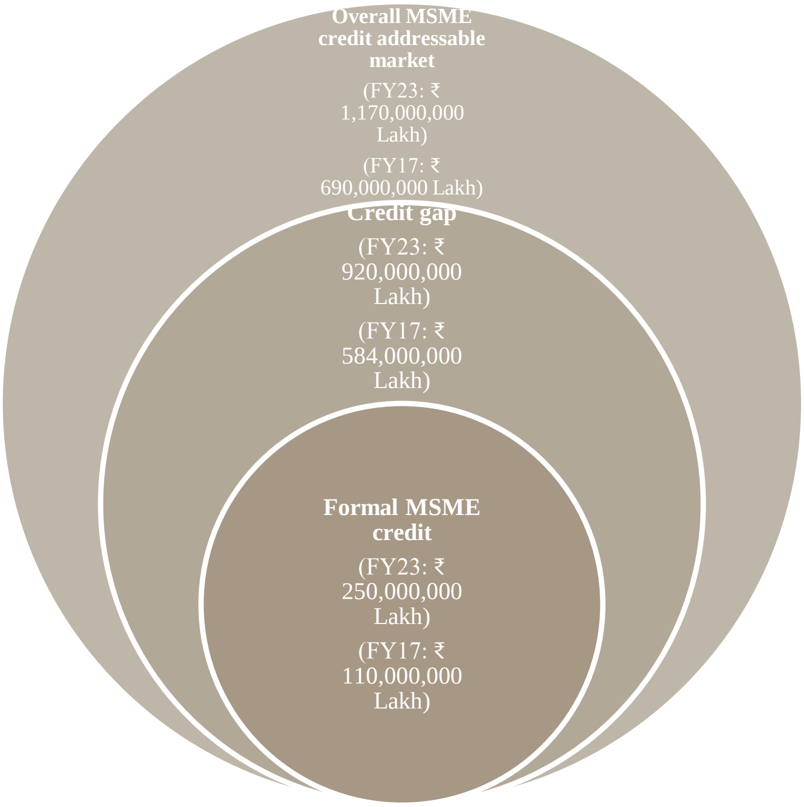
NBFCs have managed to carve out a strong presence in MSME loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. Over the years, the MSME portfolio of NBFCs have grown at a faster rate than the overall MSME portfolio at a systemic level. Going forward CRISIL MI&A expects the competitive positioning of NBFCs to remain strong, given their strong target customer and product focus.

Growth drivers

High credit gap in the MSME segment

Less than 15% of approximately 700 Lakh odd MSMEs have access to formal credit in any manner as of March 2022. High-risk perception and the prohibitive cost of delivering services physically have constrained traditional institutions' ability to provide credit to underserved or unserved MSMEs and self-employed individuals historically. As a result, they resort to credit from informal sources. This untapped market offers huge growth potential for financial institutions. As stated earlier, the credit gap was estimated at around ₹ 584,000,000 Lakh as of 2017 (Source: IFC report named Financing India's MSMEs released in November 2018, CRISIL MI&A) and is estimated to have widened further to around ₹ 920,000,000 Lakh as of Fiscal 2023.

Credit Gap estimated at ₹ 920,000,000 Lakh as of Fiscal 2023

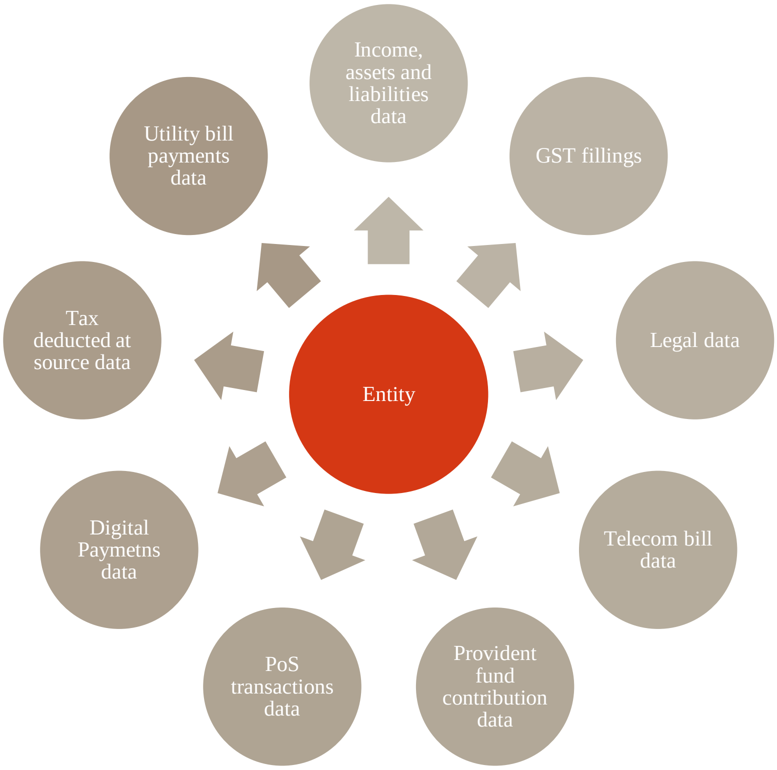


Note: Overall formal MSME credit given above includes all kinds of secured and unsecured loans given to MSMEs across ticket sizes by organised lenders.
Source: MSME Ministry Annual report for FY21, IFC report on Financing India's MSMEs dated November 2018, CRISIL MI&A

Increased data availability and transparency

With increased digital initiatives by the MSMEs, the shift towards their formalisation and digitisation has created a plethora of data points for lenders that would help improve the efficacy of credit assessment and gradually enable provision of credit to hitherto underserved customer segments. For example, the quantum of retail digital payments has catapulted from ₹ 1,400,000,000 Lakh in fiscal 2017 to ₹ 6,060,000,000 Lakh in fiscal 2023. Within UPI, the quantum of person-to-merchant payments has zoomed from ₹ 62,000,000 Lakh in Fiscal 2021 to ₹ 307,000,000 Lakh in Fiscal 2023. This increase has created a digital footprint of customers, which can be potentially used for credit decision making, along with other relevant parameters such as customer demographics, business details, credit score, and personal situation of the borrower.

Multiple data points can be used for credit assessment of end consumers



Source: CRISIL MI&A

Reduction in risk premiums due to information asymmetry

In the absence of reliable information about small businesses, it becomes difficult for lenders to assess the creditworthiness of the borrower. Hence, lenders often charge a credit risk premium from these customers, leading to higher interest rates. By leveraging technology and using a combination of traditional data (bureau data, financial statements, credit score), non-traditional data (payments, telecom, provident fund contribution and psychometric data), and government data (Aadhaar, GST), lenders would be able to gain greater insight into their customers' data, thereby increasing the accuracy of customer assessments. This would reduce the level of asymmetry in information and could lower the credit risk premium over a period of time.

Increasing competition with entry of new players and partnerships between them

More players in consumer-facing businesses with a repository of data (such as e-commerce companies and payment service providers) are expected to enter the lending business, intensifying competition. For example, In June 2018, Amazon India launched a platform for lenders and sellers, wherein sellers can choose loan offers from various lenders at competitive rates. In August 2021, Meta (earlier known as Facebook) partnered with Indifi Technologies to provide loans to small businesses that advertise on its platform. Incumbent traditional lenders are expected to increasingly leverage the network of their partners and/or digital ecosystem to cross-sell products to existing customers, tap customers of other lenders, and cater to new-to-credit customers. This is expected to expand the market for MSME loans.

Reduction in turn-around-time ("TAT") and increased use of technology

With the availability of multiple data points and technological advancement, TAT for lending to MSMEs has been continuously declining. This too is expected to drive the demand for MSME loans.

Overall MSME market consists of various players; asset quality relatively better for private banks

In absolute terms, the aggregate size of extending MSME loans is estimated to be around ₹ 240,000,000 Lakh as of March 2023. With growth in number of MSMEs and increasing requirement of credit for scaling their businesses, CRISIL MI&A believes that MSME loans would provide a huge opportunity for lenders to grow their loan book. There are various kind of players serving this segment including Banks, NBFCs and Small Finance Banks that offer loans to MSMEs, self-employed individuals and businesses.

Key Industry Parameters for overall MSME loans

	NBFCs	Public sector banks	Private Banks
Average ticket size	₹ 8 lakhs	₹ 13 lakhs	₹ 23 lakhs
Market size for overall MSME (Rs Lakh)	₹ 43,820,000	₹ 66,430,000	₹ 123,970,000
Average GNPA (as of March 2023)	4.9%	3.8%	1.4%

Source: CRISIL MI&A Estimates

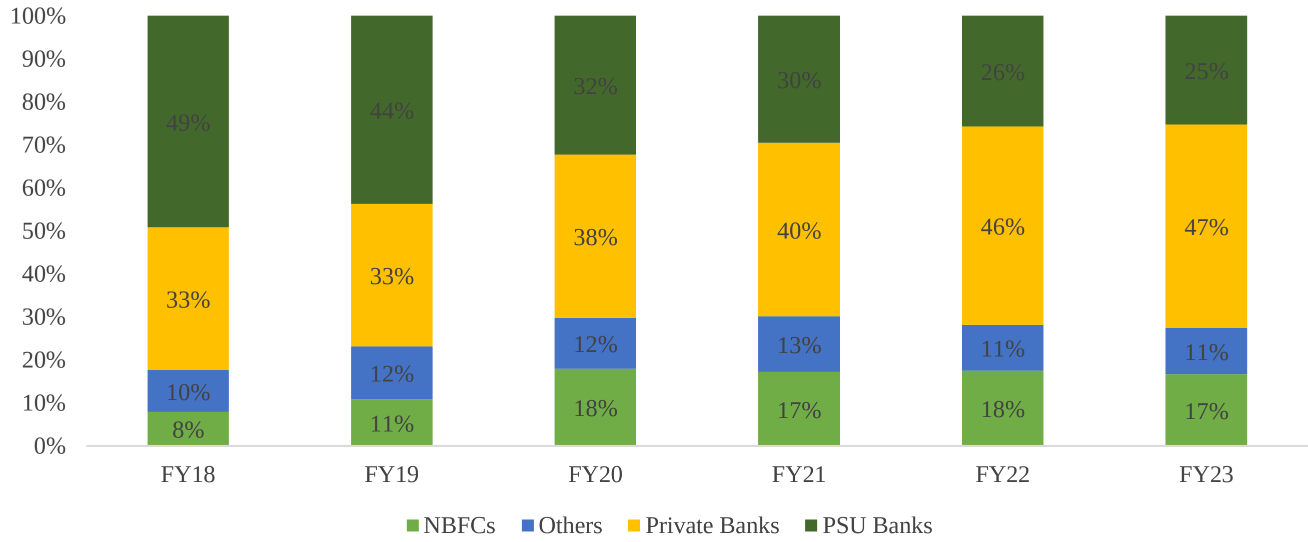
Within NBFCs, there are players that operate at relatively higher ticket sizes and offer both secured and unsecured business loans. These NBFCs offer loans at the most competitive rates among other NBFCs, target customers that are relatively better in terms of credit profile and have lower cost of borrowings compared to other NBFCs. Fintech firms with NBFC license and SFBs are other players that operate in the MSME loans landscape. Fintechs leverage data and technology in their business models and are more focused on unsecured business loans. Hence, they also have higher yields in the range of 24-30% because of the higher risk associated with the customer profile catered and the product segment they operate in.

NBFCs increasing their presence in the overall MSME loans segment

NBFCs have managed to carve out a strong presence in MSME loans segment due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. As of Fiscal 2023, the cumulative market share of NBFCs in MSME loans outstanding is estimated to be around 17%. Bajaj Finance is the largest unsecured loans provider among NBFCs in India with outstanding loans of ₹ 11,350,000 Lakh as of September 30, 2023.

Over the years, the MSME book of NBFCs has grown at a similar rate compared with the portfolio at a systemic level, clocking a CAGR of 34% over Fiscals 2018 and 2023. Market share of NBFCs remained stable between Fiscal 2018 and 2019 due to demonetisation and the NBFC liquidity crisis but has increased subsequently. Going forward, CRISIL MI&A expects the market share of NBFCs in this segment is expected to continue to remain in the same range.

NBFCs share in overall MSME loans at 17% in Fiscal 2023

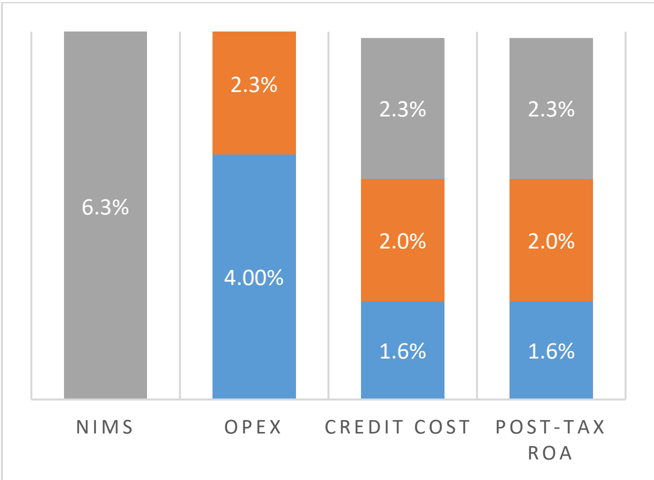


Source: CRISIL MI&A Estimates

NBFC profitability to improve going forward

NBFCs in MSME segment operate with yield in the range of 17-18%, on an average. With cost of funds being in the range of 10-11%, net interest margins ("**NIMs**") for this segment are in the range of 6-7%. CRISIL MI&A estimates the profitability in this segment to have increased in Fiscal 2023 owing to better credit costs and increase in interest yields. Going forward, in Fiscal 2024, borrowing costs are expected to stabilise or marginally move upwards, and overall profitability of MSMEs loans is still expected to be sustained, on account of higher interest income. In addition, improvement in collections is expected to lead to aid profitability for the segment.

FY22



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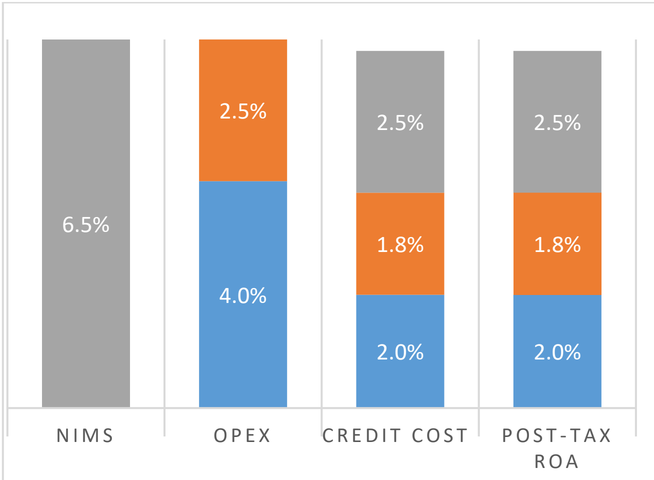


Source: CRISIL MI&A estimates

Asset quality for overall MSME at 3.2%; asset quality relatively better for private banks

Asset quality deteriorated as of March 2021 due to COVID-19 where income of the borrowers was impacted which led to rise in GNPA numbers. With continued improvement in economic activity, better collection efficiency and strong credit growth, GNPA level decreased as of March 2022. As of March 2023, the GNPA ratio for overall MSME loans stands at 3.2%. Among various player groups, the asset quality is the best for private banks as of March 2023 because they serve relatively low risk customers compared to NBFCs, which also serve customers with no documented income.

Key success factors for NBFCs offering MSME Loans

- **Strong branch network and deep understanding of the target customer segment and markets**: Players need to have a clear and deeper understanding of their target customer segment, the markets they operate in and develop a strong local network.

- **Strong underwriting capabilities**: MSMEs tend to generally be more impacted by vagaries of the business cycle given their limited financial wherewithal and/or reliance on larger buyers

- **On-the-ground presence to manage collections and maintain portfolio quality**: Additionally, given that players in the segment also cater to a relatively riskier profile, a strong focus on collections and monitoring risk of default at customer level is vital to manage asset quality.

- **Collateral risk management**: Properties that are used as collateral for MSME loans sometimes lack proper property titles, especially in the outskirts of large cities, semi-urban and rural areas.

Small Business Loans

Small Business Loans witnessed a reasonable growth in the past

In this section, we have classified all loans with ticket size lower than Rs 100 Lakh extended to MSMEs, irrespective of the turnover of the entity, as small business loans. CRISIL MI&A estimates outstanding small business loans given out by banks and NBFCs to be around Rs 117,113,772 Lakh as of March 2023.

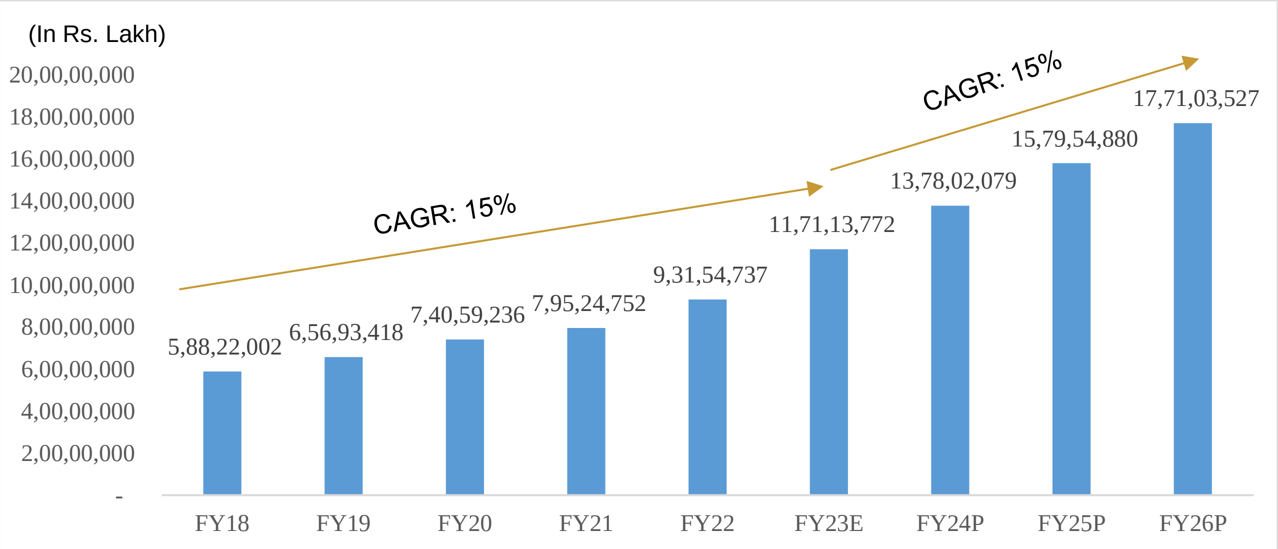
Small business loans grew at a fast pace, registering a CAGR of 15% over fiscal 2018 and 2023. Over the years, more data availability and government initiatives like GST has led to increasing focus of lenders, especially the NBFCs, on the underserved segment of MSME customers as lending to this segment has become easier compared to the past. In fiscal 2019 and 2020, however, the growth was relatively muted due to the NBFC liquidity crisis

as well as cautious stance being taken while lending to MSMEs due to slower economic growth. Due to liquidity constraints for NBFCs, the growth slowed in fiscal 2019. In fiscal 2020, despite the revival of flow of liquidity, access to funds was difficult in the business segments such as wholesale finance or LAP. Since LAP forms major portion in the small business loans portfolio, the growth was impacted in fiscal 2020 as well.
In fiscal 2021, the nationwide lockdown to contain the spread of the pandemic disrupted economic activity, hit production facilities, impacted working capital needs and supply chain along with future investments and expansions. Domestic supplies and supplies from imports also suffered, affecting both, their availability and cost. Contractual and wage labour was also hit due to more layoffs. MSMEs in the sectors such as hotels, tourism, logistics, construction, textiles and gems and jewellery suffered the most during the first half of the fiscal. Hence, fiscal 2021 witnessed a sharp dip in the growth rate of small business loans.

However, faster-than-expected revival in economic activity and pent-up demand led to the growth spurt in MSME lending since the plummet in fiscal 2021. Due to the second wave of the pandemic, growth in the segment lagged in banks and non-banks during the first quarter of fiscal 2022. The segment recovered during the last three quarters of fiscal 2022, as the impact of the second wave was contained, leading to 17.1% growth in the small business loans in fiscal 2022. Improvement in demand from MSMEs was supported by the central government’s decision to extend ECLGS to March 31, 2022 (extended further to March 31, 2023) and increase in the guarantee to Rs 45,000,000 Lakh from Rs 30,000,000 Lakh (subsequently increased further to Rs 50,000,000 Lakh).

Small business loans registered fastest growth in overall MSME loans at a robust 25.7% in fiscal 2023 to reach Rs. 117,113,772 Lakh while mid-corporate loans grew at 11% and overall MSME loans grew at 13% in fiscal 2023. Growth in small business loan was supported by an increase in disbursements in the non-LAP (unsecured and secured) segment for NBFCs due to rapid industrialisation, driven by loans to the micro segment. With economic activity reviving and cash flows improving, NBFCs increased their funding in the unsecured segment while restricting lending in the LAP segment owing to the asset quality stress of the previous years. Growth was further led by improved underwriting, increasing funding to the unsecured portfolio.

Small Business Loans to grow at 15% CAGR between fiscals 2023 and 2026



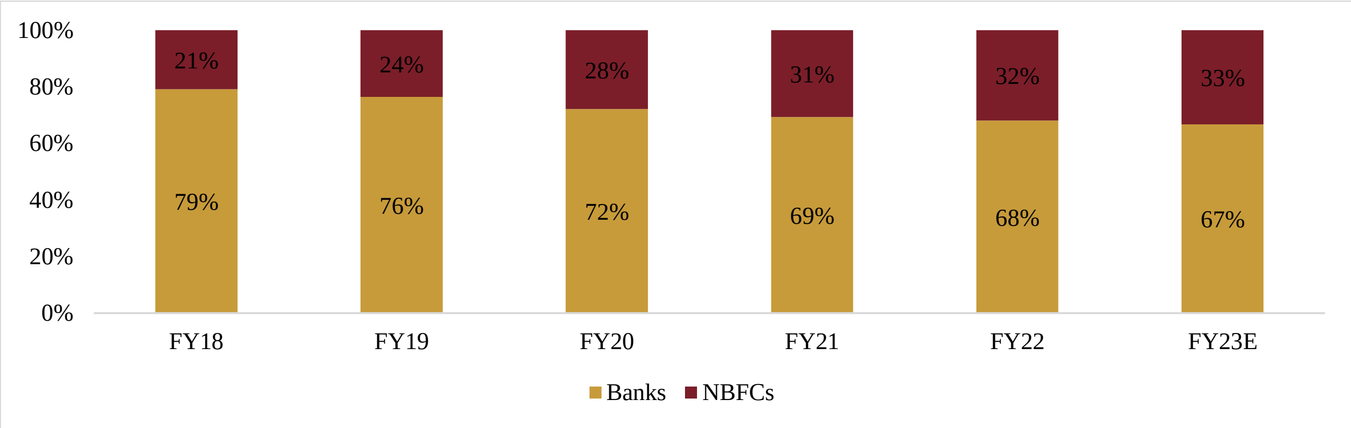
Note: E-Estimated, P-Projected; Source: CRISIL MI&A

Going forward, small business loans are expected to grow at 15% CAGR between fiscals 2023 and 2026 led by both LAP and Non-LAP segments aided by increasing penetration, enhanced use of technology, newer players entering the segment, and continued government support.

NBFCs increasing their presence in the small business loans segment

NBFCs have managed to carve out a strong presence in small business loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. As of fiscal 2023, the cumulative market share of NBFCs in small business loans outstanding has increased from 21% in fiscal 2018 to 33% in fiscal 2023.Going forward, we expect the market share of NBFCs in this segment to continue to increase and touch 38% by fiscal 2026.

NBFCs continue to gain market share from banks in small business loans



Note: E-Estimated; Source: CRISIL MI&A

Asset quality for NBFC Small Business Loans improved in fiscal 2023

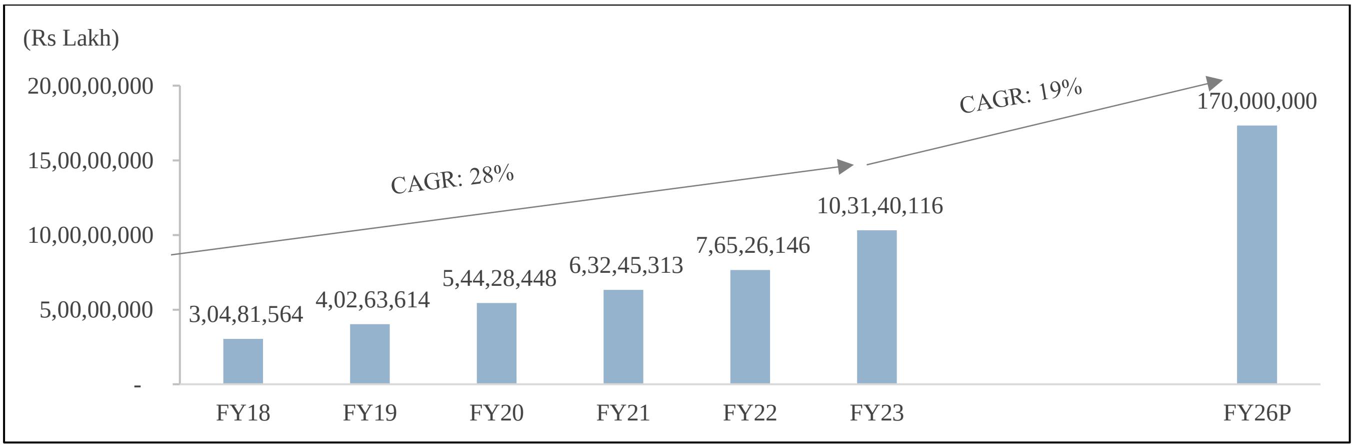
GNPAs in small business loans below Rs 100 Lakh for NBFCs hovered in the range of 2.0-4.0% before fiscal 2021. Overall GNPA in fiscal 2021 and fiscal 2022 increased to around 5.0% and 5.7% respectively due to the impact of the Covid-19 pandemic on MSMEs. However, NBFCs' asset quality improved to 4.2% in fiscal 2023 with continued improvement in economic activity, better collection efficiency, and faster credit growth. CRISIL MI&A estimates the asset quality to be range bound in fiscal 2024 at 4.0-4.5%.

Personal Loans

Strong disbursements, especially from NBFCs, and improving collections supported personal loan book growth in fiscal 2023

Personal loan outstanding stood at Rs 103,140,116 Lakh in fiscal 2023 and is likely to touch ~Rs. 130,000,000 Lakh in fiscal 2024. The growth is going to be driven by healthy growth momentum in banks supported by their high base. Parallelly, NBFCs would also continue to display aggressive growth in their personal loan book. NBFCs build their retail book through lower-ticket-size personal loans and focus on growth in tier 2 and below cities. Banks focus on the salaried middle-age group borrowers and have a higher share in tier-1 cities as compared with NBFCs. The overall personal loan book, which increased at 28% compound annual growth rate (CAGR) between fiscals 2019 and 2023, is expected to grow in the range of 25-27% in fiscal 2024.

Personal loan outstanding to cross Rs 170,000,000 Lakh in fiscal 2026



Note: P - Projected
Source: CRISIL MI&A

NBFCs market share declined in fiscal 2021, gradual increase foreseen

The personal loans segment, with its attractive risk-reward potential, has become highly competitive over the past few years with aggressive competition from both banks and NBFCs. The market is dominated by banks on account of their wide presence, large customer base which helps in cross selling and lower interest rates as compared to NBFCs. Up to fiscal 2020, NBFCs have grown much faster than banks in this space, partly supported by low base and the advent of new players in this segment. In recent years, players are focusing more towards retaining their customer base as majority of unsecured loans are originated through cross sell. Apart from traditional lenders (banks and NBFCs), entry of several other players such as P2P lenders, fintech firms etc. in the segment makes the segment more competitive.

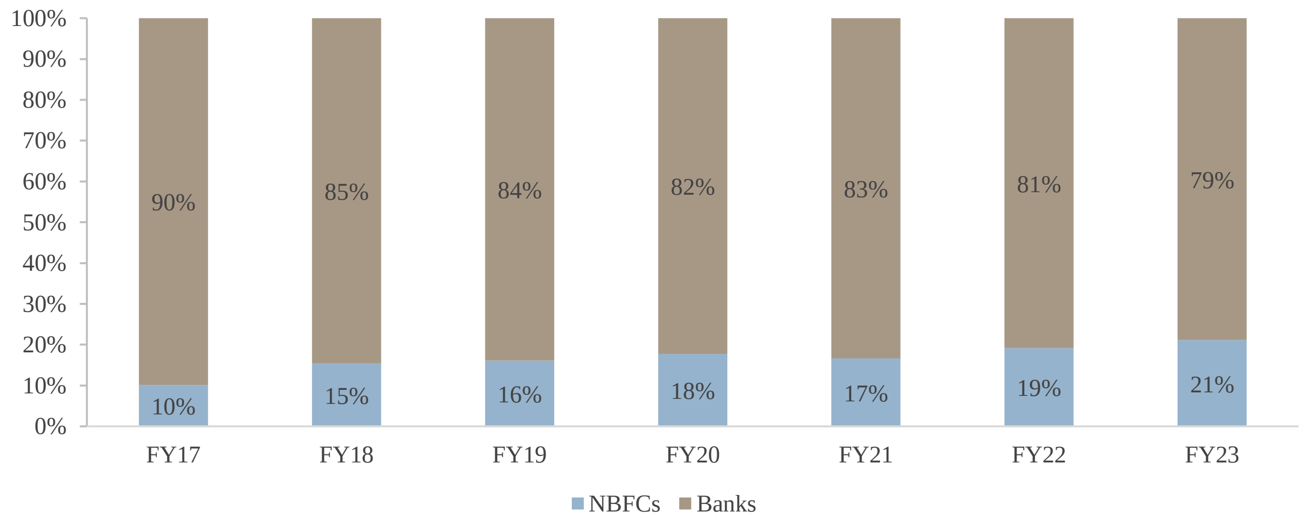
Where banks are offering pre-approved loans to their existing customers, NBFCs on the other hand are trying to increase their focus by diversifying portfolio through cross sell. New age digital NBFCs are focusing on acquiring and lending to customers which are largely underserved by the incumbents like traditional NBFCs and banks and penetrate deeper into hitherto unpenetrated segments.

Large NBFCs focus on individuals with good repayment capabilities (mostly salaried customers). However, there are many small NBFCs and fintechs that extend small ticket sized personal loans to customers with lower or no credit score and charge relatively high interest rates to compensate for the risk. Small and mid-sized NBFCs have also been innovative with products such as pay as you go, check out financing, tie-up with card companies, and very short tenure loans (3-6 months). This has helped them stay relevant despite higher interest rates, even among salaried customers. A number of NBFCs also cross sell personal loans to existing customers who have taken other loans from them and have a good repayment track record.

NBFCs have outpaced banks in terms of growth in outstanding, leveraging their specialised focus and extensive branch network to reach remote areas. This coupled with high contribution from the digital platform, drove growth to a significant 57% leap in fiscal 2023. The credit growth of banks on a higher base was healthy at 32% in fiscal 2023 spurred by credit demand and aggressive focus on retail portfolio. Additionally, with a salaried customer base coupled with relatively higher share of tier-1 cities in the portfolio, the banks' borrower segment faced lower cashflow disruptions, thereby realizing a relatively better asset quality performance compared to NBFCs. In the case of NBFCs, with a higher share of the self-employed segment coupled with higher share of tier 2 and lower cities in the portfolio, the asset quality was relatively weaker compared to banks.

With NBFCs growing faster than banks, CRISIL MI&A expects NBFCs to increase their market share further in fiscal 2024. NBFCs have seen a sharp rise on account of an aggressive strategy and a low base. CRISIL MI&A expects NBFCs to sustain the pace of growth and capture share from banks. Fintechs and NBFCs compete fiercely with banks even though they cater to different consumer segments. Banks primarily focuses on salaried, higher-ticket-size borrowers, while NBFCs and fintechs focus on bridging the financing gap for self-employed, low income, younger generation, and smaller ticket size borrowers.

Share of NBFCs has increased in the past few years



Source: CRISIL MI&A

NBFCs and fintechs focus on low ticket loans for growth

With fintechs and NBFCs deepening their market penetration, the share of small-ticket personal loans (STPLs) is gradually increasing. The share of STPLs, which are loans below Rs 1 Lakh, has risen gradually over the past few years. The volume of these transactions grew to 86% of the total transactions in fiscal 2023 from 83% in fiscal 2022. But in terms of value, these loans grew to 12% of total disbursements in fiscal 2023 from 10% in fiscal 2022. NBFCs and fintechs focus more on this bucket of personal loans and thus drag the overall average ticket size lower.

NBFCs account for 29% of the market share in terms of value but have 88% share in terms of the volume of transactions leading to a declining ticket size trend in the last few years.

The average ticket size is ~Rs 0.28 Lakh for NBFCs and Rs 4 Lakh for banks vis-à-vis an overall average of ~Rs 0.76-0.77 Lakh. Hence, NBFCs are taking the average ticket size lower with their strong reach and network.

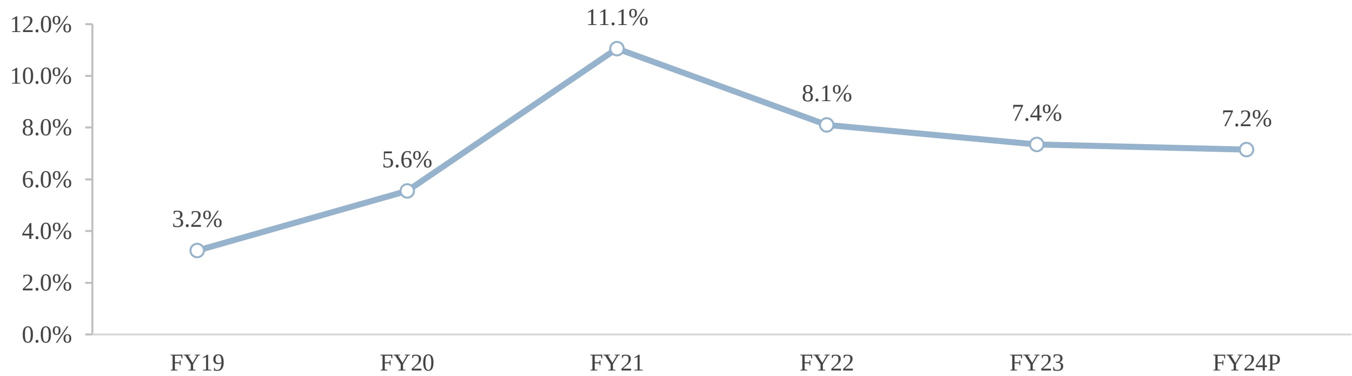
Fintechs have been rapidly expanding their base in the personal loan segment by offering small ticket and low duration loans to younger, low-income, and digital-savvy customers with insufficient credit history. With the rapid adoption of technology amongst financiers and customers, personal loans form the majority segment of disbursements in digital lending. The loans disbursed are as low as Rs 0.05-0.2 Lakh for aspirational customers. Fintechs primarily rely on the customer's mobile phone data to assess their repayment ability. Algorithms track and analyse mobile phone data for specific insights on a customer's liquid cash flow as well as repayment history, along with spending habits.

NBFCs and fintech's risk management processes and data analytics capabilities have evolved over the years along with underwriting norms and monitoring mechanisms.

NBFC asset quality closer to pre-pandemic levels in fiscal 2023

Personal loan is an unsecured segment with minimal or no end-use monitoring. Gross non-performing assets (GNPAs) of major players increased in fiscal 2022 on account of the second pandemic wave with cashflow disruptions for borrowers with already weaker credit profiles. The collection efficiency improved in second half of fiscal 2022 and stabilised in fiscal 2023. In line with this, GNPAs for NBFCs stood at 7.35% as of March 2023, improving from 8.57% as of March 2022. They are expected to improve further at 7.10-7.20% in fiscal 2024 driven by further improvements in collection efficiencies. Also, lenders wrote off bad loans when the probability of default was higher, coupled with healthy growth in loan book will lead to an improvement in GNPAs. Given the unsecured nature of segment, asset quality will always be a key monitorable.

GNPAs estimated to further improve in fiscal 2024



Note: P = Projected
Source: CRISIL MI&A

NBFC profitability estimated to improve subsequently

In the personal loans segment, the spreads remain reasonably attractive at 8-9%. However, the impact of credit costs associated with unsecured lending continues to influence the overall profitability. In fiscal year 2020, the

Return on Assets (RoA) for personal loan portfolios stood at a healthy 2.56%, reflecting strong performance. However, fiscal year 2021 saw a decline to 1.32% due to elevated credit costs driven by uncertainties related to the Covid-19 pandemic.

In fiscal year 2022 and 2023, there was moderate improvement in profitability which can be attributed to recovery in demand, increasing spreads and improving credit cost. Additionally, operational efficiencies are expected to increase as players embrace technological advancements, resulting in lower operating expenses (Opex). Notably, there is a shift in sourcing practices. Non-Banking Financial Companies (NBFCs) are reducing their reliance on Direct Selling Agents (DSAs) in favour of cross-selling strategies and digital sourcing modes. This transition aims to reduce costs and improve customer acquisition efficiency. Going forward in fiscal 2024, profitability is expected to improve further largely on account of improvement in credit cost. Nevertheless, credit costs are expected to remain elevated in near term as players continue to expand their customer base and target tier-2 and tier-3 areas.

ROA improved in fiscal 2023 and is expected to remain stable in near term

	FY20E	FY21E	FY22E	FY23E	FY24P
NIMs	9.78%	9.67%	9.88%	10.13%	10.13%
Opex	4.35%	4.60%	4.50%	4.40%	4.30%
Credit costs	2.70%	4.20%	3.60%	3.20%	3.00%
RoA	2.56%	1.32%	1.93%	2.43%	2.63%

Note: E = Estimated, P = Projected
Source: Company reports, CRISIL MI&A

Peer benchmarking

Indian NBFC sector in India in recent time has emerged as one of the leading forms in institution in providing credit to underserved and unorganized segment population of the country. Over the past few years, there has been a war between banks and non-banks for taking the lions share in the overall credit outstanding in the country. While Banks have been dominating segments such as Housing Finance, MSME Loans; NBFC players have been leading the credit share in segments such as gold finance, Vehicle finance & Micro finance loans. Non-banking player competitive strengths in form of higher rural penetration, customer centric product design etc. has helped them strengthen their share in the overall credit landscape.

In this section, CRISIL MI&A has compared the financial and operating performances of Auto Financing NBFCs operating in various segments based on the latest available data for fiscals 2021 and 2022 and 2023. For analysis, we have compared Manba Finance with Arman Financial, Baid Finserv, Berar Finance, Hero Fincorp, MAS Financial, Muthoot Fincorp and TVS Credit on standalone basis.

Manba Finance posted disbursement growth of 36% between fiscals 2021 and 2023 amongst the peer set

In terms of AUM, Hero Fincorp had the highest AUM amongst the selected peer set, at Rs 3,780,000 Lakhs, at end of fiscal 2023, followed by TVS Credit and Muthoot Fincorp, which had an AUM of Rs 2,060,200 Lakhs and Rs. 1,761,507 Lakhs, respectively. In terms of growth, Arman Financial, TVS Credit & MAS Financial has reported a higher AUM growth of 35.7%, 35.6% & 22.7% CAGR between fiscal 2021 and 2023 respectively. Manba Finance has reported the sixth highest AUM growth rate CAGR of 12.3% between fiscal 2021 and fiscal 2023 to reach Rs. 63,368 Lakhs.
In terms of disbursement, Manba Finance has reported a fifth highest growth of 36.1% CAGR between fiscal 2021 and 2023 among the peers for which data is available. Muthoot Fincorp faced a marginal decline in AUM (-2.9%) but saw positive trends in disbursements. In terms of Capital Adequacy, Manba Finance had a CRAR of 33.7%, at end-fiscal 2023.

AUM and Disbursement for Players (Fiscal 2023)

Player	AUM (Rs. Lakh)	Disbursement (Rs. Lakh)

	FY21	FY22	FY23	CAGR (FY21-23)	FY21	FY22	FY23	CAGR (FY21-23)
Arman Financial	17,128	21,122	31,529	35.7%	9,210	18,318	28,186	74.9%
Baid Finserv	24,905	26,314	30,086	9.9%	5,500	8,300	11,300	43.3%
Berar Finance	67,181	83,198	94,705	18.7%	58,539	74,156	84,252	20.0%
Hero Fincorp	2,512,100	3,023,100	3,780,000	22.7%	1,382,200	1,854,300	2,583,700	36.7%
Manba Finance	50,217	49,580	63,368	12.3%	24,600	30,190	45,545	36.1%
MAS Financial	537,240	624,680	809,256	22.7%	NA	NA	NA	NA
Muthoot Fincorp	1,868,938	1,732,313	1,761,507	-2.9%	3,874,460	3,515,400	4,003,983	1.7%
TVS Credit	1,120,000	1,391,100	2,060,200	35.6%	862,700	1,253,300	2,165,200	58.4%

Note: Table is arranged in alphabetical order. Data is on standalone basis
Source: Company reports, CRISIL MI&A

Capital Adequacy for Players (Fiscal 2023)

Player	Capital Adequacy Ratio			
	FY21	FY22	FY23	Avg. (FY21-23)
Arman Financial	48.8%	29.1%	32.6%	36.8%
Baid Finserv	47.4%	51.0%	50.7%	49.7%
Berar Finance	20.5%	28.8%	26.3%	25.2%
Hero Fincorp	19.7%	15.6%	20.6%	18.6%
Manba Finance	28.8%	34.2%	33.7%	32.3%
MAS Financial	26.9%	26.4%	25.3%	26.2%
Muthoot Fincorp	16.9%	19.4%	21.3%	19.2%
TVS Credit	18.5%	18.6%	18.8%	18.6%

Note: Table is arranged in alphabetical order. Data is on standalone basis
Source: Company reports, CRISIL MI&A

Manba Finance had second highest AUM per branch in fiscal 2023 among peers

Manba Finance had the second highest AUM per branch at Rs. 2,640.3 Lakhs followed by Berar Finance at Rs. 823.5 Lakhs, at end of fiscal 2023 among the players for which data is available. Amongst the peer group, Hero Fincorp had the highest AUM per employee at Rs. 1266 Lakhs at end of fiscal 2023 followed by MAS Financial at Rs. 701.3 Lakhs at end fiscal 2023 among the players for which data is available.

In terms of other operational metrics, Manba Finance have witnessed the fastest growth in branches with CAGR of 31% from 14 in fiscal 2021 to 24 in fiscal 2023, albeit a smaller base. Further, Manba Finance has also witnessed the highest disbursement per branch at Rs. 1,897.7 Lakh in fiscal 2023 followed by Muthoot Fincorp at Rs. 1,106.4 Lakh among the peers for which data is available.

Branch Operational Metrics for Players (Fiscal 2023)

Player	Number of Branches			AUM per Branch (Rs. Lakh)		
	FY21	FY22	FY23	FY21	FY22	FY23
Arman Financial	239	291	336	71.7	72.6	93.8
Baid Finserv	NA	32	37	NA	822.3	813.1
Berar Finance	95	114	115	707.2	729.8	823.5
Hero Fincorp	NA	NA	NA	NA	NA	NA
Manba Finance	14	18	24	3,586.9	2,754.4	2,640.3
MAS Financial	99	125	149	5,426.7	4,997.4	5,431.2
Muthoot Fincorp	3,652	3,657	3,619	511.8	473.7	486.7
TVS Credit	NA	NA	NA	NA	NA	NA

Note: NA: Not Available. Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Employee Operational Metrics for Players (Fiscal 2023)

Player	Number of Employees			AUM per Employee (Rs. Lakh)		
	FY21	FY22	FY23	FY21	FY22	FY23
Arman Financial	1,889	2,413	2,805	9.1	8.8	11.2
Baid Finserv	155	161	178	160.7	163.4	169.0
Berar Finance	NA	NA	NA	NA	NA	NA
Hero Fincorp	1,829	2,099	2,985	1,373.5	1,440.3	1,266.3
Manba Finance	800	903	1,062	62.8	54.9	59.7
MAS Financial	719	946	1,154	747.2	660.3	701.3
Muthoot Fincorp	16,551	16,873	17,899	112.9	102.7	98.4
TVS Credit	15,782	17,158	19,198	71.0	81.1	107.3

Note: NA: Not Available. Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Disbursement Operational Metrics for Players (Fiscal 2023)

Player	Disbursement per Branch (Rs. Lakh)			Disbursement per Employee (Rs. Lakh)		
	FY21	FY22	FY23	FY21	FY22	FY23
Arman Financial	38.5	62.9	83.9	4.9	7.6	10.0
Baid Finserv	NA	259.4	305.4	35.5	51.6	63.5
Berar Finance	616.2	650.5	732.6	NA	NA	NA
Hero Fincorp	NA	NA	NA	755.7	883.4	865.6
Manba Finance	1,757.1	1,677.2	1,897.7	30.8	33.4	42.9
MAS Financial	NA	NA	NA	NA	NA	NA
Muthoot Fincorp	1,060.9	961.3	1,106.4	234.1	208.3	223.7
TVS Credit	NA	NA	NA	54.7	73.0	112.8

Note: NA: Not Available. Table is arranged in alphabetical order.

Source: Company reports, CRISIL MI&A

Manba Finance had third highest Yields and fourth highest NIMs in FY2023 among peers

Berar Finance exhibited a substantial increase in Yield on Advances, reaching 23.2%, coupled with a gradual rise in Cost of Funds and NIMs in Fiscal 2023. In Fiscal 2023, Manba Finance had third highest yield on advances and fourth highest NIMs at 22.6% and 10.1% respectively among the peer group.

Profitability Metrics for Players (Fiscal 2023)

Player	Yield on Advances (%)				Cost of Borrowings (%)			
	FY21	FY22	FY23	Avg. FY21-23	FY21	FY22	FY23	Avg. FY21-23
Arman Financial	30.7%	34.3%	35.9%	33.6%	12.3%	10.8%	12.3%	11.8%
Baid Finserv	16.9%	17.2%	17.8%	17.3%	13.6%	12.1%	10.7%	12.2%
Berar Finance	21.2%	21.0%	23.2%	21.8%	14.2%	14.9%	16.0%	15.0%
Hero Fincorp	15.6%	15.0%	16.3%	15.6%	7.3%	6.3%	6.6%	6.7%
Manba Finance	20.7%	19.6%	22.6%	21.0%	13.3%	12.1%	11.4%	12.3%
MAS Financial	12.3%	12.3%	13.3%	12.6%	9.0%	8.5%	9.4%	9.0%
Muthoot Fincorp	18.4%	17.9%	19.3%	18.5%	10.8%	9.2%	8.8%	9.6%
TVS Credit	19.8%	19.4%	21.6%	20.3%	7.8%	6.4%	7.3%	7.2%

Note: Table is arranged in alphabetical order. Data is on standalone basis
Source: Company reports, CRISIL MI&A

Profitability and Leverage Metrics for Players (Fiscal 2023)

Player	Debt to Equity Ratio				NIM %			
	FY21	FY22	FY23	Avg. FY21-23	FY21	FY22	FY23	Avg. FY21-23
Arman Financial	1.20	1.26	1.40	1.29	13.8%	14.1%	13.4%	13.8%
Baid Finserv	1.19	1.10	1.10	1.13	8.9%	9.5%	10.2%	9.5%
Berar Finance	4.16	2.33	2.35	2.94	7.4%	7.1%	9.7%	8.1%
Hero Fincorp	4.33	5.42	6.31	5.35	7.7%	8.3%	9.4%	8.5%
Manba Finance	2.63	2.59	3.57	2.93	8.5%	8.7%	10.1%	9.1%
MAS Financial	2.81	3.16	3.88	3.28	4.5%	4.3%	4.8%	4.5%
Muthoot Fincorp	5.58	5.14	4.58	5.10	6.6%	6.9%	7.5%	7.0%
TVS Credit	6.49	6.96	6.84	6.76	11.9%	12.6%	13.8%	12.8%

Note: Table is arranged in alphabetical order; Data is on standalone basis
Source: Company reports, CRISIL MI&A

Manba Finance had fourth highest RoA 2.2% in FY2023 amongst the peers

In fiscal year 2023, Manba Finance had the fourth highest Return on Assets (RoA) at 2.2% among its peers. The company achieved the fifth highest Return on Equity (RoE) standing at 9.5%.

In terms of Operating Expenses, TVS Credit has the highest Opex at 8.4%, owing to increase in its touchpoints and employee base. Berar Finance saw Opex rise from 4.8% fiscal 2021 to 6.0% fiscal 2023, while RoE and RoA declined from 11.9% and 2.1% in fiscal 2021 to 6.4% and 1.6% in fiscal 2023, respectively. For Manba Finance, the Opex stood 7.6% at end of Fiscal 2023.

Profitability Metrics for Players (Fiscal 2023)

Player	RoE (%)	RoA %

	FY21	FY22	FY23	Avg. FY21-23	FY21	FY22	FY23	Avg. FY21-23
Arman Financial	6.4%	12.1%	15.3%	11.3%	2.7%	5.3%	6.3%	4.8%
Baid Finserv	5.6%	6.2%	6.9%	6.2%	2.3%	2.8%	3.1%	2.7%
Berar Finance	11.9%	8.6%	6.4%	9.0%	2.1%	1.8%	1.6%	1.8%
Hero Fincorp	1.5%	3.9%	9.0%	4.8%	0.3%	0.7%	1.3%	0.7%
Manba Finance	6.6%	6.4%	9.5%	7.5%	1.7%	1.7%	2.2%	1.9%
MAS Financial	13.3%	12.5%	14.1%	13.3%	2.9%	2.8%	2.9%	2.9%
Muthoot Fincorp	16.1%	10.4%	12.5%	13.0%	2.5%	1.5%	2.0%	2.0%
TVS Credit	6.6%	7.0%	16.8%	10.2%	0.9%	0.9%	2.1%	1.3%

Note: Table is arranged in alphabetical order. Data is on standalone basis
Source: Company reports, CRISIL MI&A

Operational Metrics for Players (Fiscal 2023)

Player	Cost to Income Ratio				Opex %			
	FY21	FY22	FY23	Avg. (FY21-23)	FY21	FY22	FY23	Avg. (FY21-23)
Arman Financial	37.3%	40.7%	39.3%	39.1%	5.6%	6.4%	5.8%	5.9%
Baid Finserv	33.5%	33.2%	32.8%	33.2%	3.1%	3.2%	3.8%	3.3%
Berar Finance	51.6%	62.5%	55.6%	56.6%	4.8%	5.5%	6.0%	5.4%
Hero Fincorp	41.6%	47.1%	45.5%	44.7%	3.9%	4.7%	5.1%	4.6%
Manba Finance	73.5%	75.4%	66.5%	71.8%	7.6%	8.3%	7.6%	7.8%
MAS Financial	15.7%	20.5%	20.9%	19.0%	1.1%	1.2%	1.4%	1.2%
Muthoot Fincorp	65.2%	68.0%	64.7%	66.0%	5.1%	5.1%	5.3%	5.2%
TVS Credit	53.2%	52.4%	52.5%	52.7%	7.3%	7.8%	8.4%	7.8%

Note: Table is arranged in alphabetical order. Data is on standalone basis
Source: Company reports, CRISIL MI&A

Manba Finance had third lowest credit cost amongst peers in fiscal 2023

Manba Finance had the third lowest credit cost of 0.7% after Muthoot Fincorp with credit cost of 0.3% and Arman Financial with credit cost of 0.5% in fiscal 2023. In terms of asset quality, Manba Finance has witnessed an increase in gross nonperforming asset (GNPA) from 2.6% to 3.7% between fiscal 2021 and 2023, along with net non-performing asset (NNPA) rising from 2.2% to 3.1% during the same period. Other players such as Hero Fincorp also experienced fluctuations, with GNPA decreasing from 7.8% in fiscal 2021 to 5.6% in fiscal 2023, and both NNPA and Credit Cost showing a declining trend. Amongst the peers, Muthoot Fincorp has been able to keep the asset quality under check and have managed to maintain a low GNPA, NNPA, and Credit Cost throughout the period. In terms of asset quality, Manba Finance is among the top five financier among the peers with Gross Non-Performing Asset (GNPA) of 3.7% in FY2023

Asset Quality and Credit Cost for Players

Player	GNPA (%)			NNPA (%)			Credit Cost %		
	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
Arman Financial	6.7%	7.7%	2.6%	1.0%	1.7%	0.6%	6.1%	2.4%	0.5%
Baid Finserv	3.5%	3.3%	2.9%	1.6%	1.0%	0.6%	1.0%	1.4%	1.7%
Berar Finance	2.5%	3.0%	4.6%	1.7%	2.2%	3.0%	1.7%	1.0%	2.8%
Hero Fincorp	7.8%	8.4%	5.6%	4.6%	4.6%	2.8%	5.1%	6.2%	3.3%
Manba Finance	2.6%	5.1%	3.7%	2.2%	4.4%	3.1%	0.5%	0.5%	0.7%

MAS Financial	1.9%	2.3%	2.2%	1.5%	1.7%	1.5%	1.6%	0.6%	0.8%
Muthoot Fincorp	1.9%	2.8%	2.1%	1.0%	1.6%	0.6%	0.3%	0.3%	0.3%
TVS Credit	5.0%	3.7%	4.4%	3.4%	1.9%	2.6%	4.2%	4.1%	3.4%

Note: Table is arranged in alphabetical order. Data is on standalone basis
Source: Company reports, CRISIL MI&A

Manba Finance had highest share of Two-wheeler loan followed by Berar Finance

Manba Finance had the highest share of Two-wheeler loans at 96% of AUM followed by Berar Finance at 95% of AUM at end of fiscal 2023. While TVS Credit had 27% of the AUM in Two-wheeler loans in fiscal 2023, Muthoot Fincorp had total share of 8% of the AUM in Two-wheeler including of housing loans at end fiscal 2023.

Product wise AUM mix for Players (FY2023)

Players	AUM Mix by Product categories	
	Product Categories	**AUM Mix (%)**
Arman Financial	Microfinance Loans	82%
	MSME Loans	13%
	Two-Wheeler Loans	3%
	Individual Business Loans	2%
Baid Finserv	MSME and Mortgage Loans	93%
	Vehicle Loans	7%
Berar Finance	Two-Wheeler Loans	95%
	Other Loans	5%
Hero Fincorp	Retail Individual Loans	62%
	Retail Business Loans	20%
	Corporate Loans	13%
	Other Loans	5%
Manba Finance	Two-Wheeler Loans	96%
	Others (including SME Loans)	4%
MAS Financial	Micro-Enterprise Loans	47%
	SME Loans	37%
	Two-Wheeler Loans	7%
	Commercial Vehicle Loans	5%
	Salaried Personal Loans	4%
Muthoot Fincorp	Gold loan	56%
	MFI	30%
	Two-Wheeler & Housing Loans	8%
	SME & MSME Loans	6%
TVS Credit	Two-Wheeler Loans	27%
	Used Car Loans	9%
	Tractor Loans	30%
	Used Commercial Vehicle Loans	11%
	Business Loans	3%
	Consumer Durable Loans	6%
	Personal Loans	14%

Source: Company reports, CRISIL MI&A

Share of Secured Loans for Players (FY2023)

Player	Share of Loans Secured/Unsecured	
	Secured Loans	Unsecured Loans
Arman Financial	19.3%	80.7%
Baid Finserv	71.0%	29.0%
Berar Finance	99.4%	0.6%
Hero Fincorp	58.9%	41.1%
Manba Finance	NA	NA
MAS Financial	74.2%	25.8%
Muthoot Fincorp	79.1%	20.9%
TVS Credit	74.8%	25.2%

Note: NA: Not Available

Source: Company reports, CRISIL MI&A

ALM Position of various peers (Fiscal 2023)

Player	Asset (Rs. Lakh)		Liabilities (Rs. Lakh)		Net (Rs. Lakh)		Asset-Liability Ratio*	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months
Arman Financial	25,986	30,764	18,101	14,638	7,885	16,126	143.6%	210.2%
Baid Finserv	NA	NA	NA	NA	NA	NA	NA	NA
Berar Finance	75,417	38,690	46,771	39,822	28,646	-1,132	161.2%	97.2%
Hero Fincorp	2,049,171	1,963,892	1,452,697	2,031,504	596,474	-67,612	141.1%	96.7%
Manba Finance	51,806	27,102	39,997	22,232	11,809	4,870	129.5%	121.9%
MAS Financial	440,850	326,802	347,614	269,465	93,236	57,337	126.8%	121.3%
Muthoot Fincorp	1,988,771	381,128	1,230,920	749,676	757,851	-368,548	161.6%	50.8%
TVS Credit	1,516,786	1,302,302	1,094,718	1,124,776	422,068	177,526	138.6%	115.8%

*Note: * Asset to liabilities ratio is calculated by dividing the percentage of assets maturing in the specified period by percentage of liabilities maturing at the same time, Table is arranged in alphabetical order. Data is on standalone basis*

Source: Company reports, CRISIL MI&A

Credit Ratings of various peers (Fiscal 2023)

Player	Credit Ratings
Arman Financial	CARE BBB+ (03-Jan-2023)
Baid Finserv	CARE BBB (04-Oct-23)
Berar Finance	CARE BBB (30-Aug-23), ICRA BBB (07-Dec-23)
Hero Fincorp	CRISIL AA+17-Oct-23), CARE AA+ (29-Aug-23), ICRA AA+(15-Sep-23)
Manba Finance	ACUITE A- (23-Jan-23), CARE BBB+(31-Oct-23)

Player	Credit Ratings
MAS Financial	CARE A+ Stable Positive (18 Jan 2024), ACUITE AA- Stable (07 Sep 2022)
Muthoot Fincorp	CRISIL AA- (29-Nov-23), BWR AA-(26-Aug-22)
TVS Credit	CRISIL AA (16-Nov-23), ICRA AA (06-Dec-23)

Source: Company Reports, CRISIL MI&A

List of formulae

Parameter	Formulae
NIMs	NII / Average total assets
Yield on advances	Total interest income/ Average advances
Cost of borrowings	Interest expense / Average borrowings and deposits
Opex	Opex / Average total assets
Employee expense	Employee expense / total income
Credit cost	Provisioning / Average total assets
Cost to income	Opex / NII
ROE	PAT / Average shareholder equity
RoA	PAT / Average total assets

OUR BUSINESS

To obtain a complete understanding of our Company and its business, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 33, 134 and 355, respectively as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year", "Fiscal" and "Fiscal Year" are to the 12-months period ended March 31 of that fiscal year. All references to a year are to that Fiscal Year, unless otherwise noted. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements included in this Draft Red Herring Prospectus. For further details, see "Restated Financial Statements" on page 287. We have, in this Draft Red Herring Prospectus, included various operational performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in same business as of our Company in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*The industry and market information contained in this section has been derived from a report titled "Industry Report on NBFC Sector in India" dated November 2023 which was commissioned by and paid for by our Company (the "**CRISIL Report**") in connection with the Issue. The CRISIL Report is available on our Company's website at www.manbafinance.com/investor-relation/.*

Overview

We are a NBFC-BL providing financial solutions for New 2Ws, 3Ws, EV2Ws, EV3Ws, Used Cars, Small Business Loans and Personal Loans with an AUM size of more than ₹ 80,000 lakhs as on December 31, 2023. About 99% of our loan portfolio comprises of New Vehicle Loans with an average ticket size (ATS) of around ₹ 0.80 lakhs. We provide financial solutions to our target customers who are looking for a quick turnaround time (TAT) for loan sanction and disbursement. We are based out of Mumbai, Maharashtra and operate out of 65 Locations connected to 28 branches across five (5) states in western, central and north India. We have established deep and long-term relationships with more than 850 Dealers, including more than 60 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh. We have recently expanded our loan portfolio to Used Car Loans, Small Business Loans and Personal Loans and we intend to leverage our existing network to further penetrate the market with our new products.

According to the CRISIL Report, among our compared peers:

- Manba Finance had the highest share of Two-wheeler loans at 96% of AUM followed by Berar Finance at 95% of AUM at end of fiscal 2023.
- Manba Finance had highest AUM per branch at Rs. 2,640.3 Lakhs in fiscal 2023. In terms of other operational metrics, Manba Finance have witnessed the fastest growth in branches with CAGR of 31%.
- Manba Finance had third highest Yields and fourth highest NIMs in FY2023
- Manba Finance had third highest Return on Assets (RoA) at 2.2% in FY2023.
- Manba Finance had the third lowest credit cost of 0.7% in Fiscal 2023. In terms of asset quality, Manba Finance is among the top four financier among the peers with Gross Non-Performing Asset (GNPA) of 3.7% in FY2023. *(Source: CRISIL Report)*

CRISIL MI&A expects NBFC credit to grow at 12-14% CAGR between fiscal 2023 and fiscal 2025. Their share in the overall credit pie has increased from 12% in Fiscal 2008 to 18% in Fiscal 2023 and projected to be remained stable in fiscal 2024. CRISIL MI&A believes that NBFCs will remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are not catered by Banks. *(Source: CRISIL Report)*

Our target customers are mainly (i) salaried; and (ii) self-employed. We customise our offerings as per each of these categories of customers and prepare tailor-made schemes to attract them to avail loans from us. We normally fund upto 85% of the purchase price (*on road price*) of the vehicle proposed to be acquired by the customer and prefer the customer to contribute the balance. This is the ideal funding proportion and equity commitment for the purchase of the vehicle as it ensures financial discipline on the part of the customer and reduces defaults. Our underwriting process has allowed us to manage defaults and NPAs for the period ended September 30, 2023 and Fiscals 2023, 2022, and 2021. Our Gross NPA was 3.90%, 3.74%, 4.94% and 2.79% for the six months period ended September 30, 2023, Fiscals 2023, 2022 and 2021, respectively, and Net NPA was 3.16%, 3.14%, 4.30% and 2.37% for the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, respectively.

We have a centralised credit team which remotely reviews loan applications and undertakes credit decisions primarily based on the credit data of the customer. We have implemented a comprehensive and robust credit assessment, risk management and collections framework to identify, monitor and manage risks inherent in our line of business. We base our credit decisions on certain key factors like our internal credit policies, LTV and the customer's existing cash-flows, CIBIL score and the collateral, which in case of vehicle finance is the vehicle itself, to assess the ability and capability of the customer to repay the loan to be disbursed by our Company. We have established business processes and technologies to facilitate the sanction of more than 85% loans on the same day of the application. We also have an in-house collection team which focuses on recovery of the monthly instalments from our customers. Our collection management process ensures account-level tracking of payments, resolution of queries, and initiation of legal actions, where required.

We have an extensive network with presence at 65 Locations served by 28 Branches as of January 31, 2024, in the states of Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh. We commenced our business in 1998 as a NBFC from Mumbai, Maharashtra and scaled up our operations from 2009 by way of growth in number of branches and locations across states. Our Branches are located in urban, semi-urban and metropolitan cities and towns which serves the surrounding rural areas.

We secure our funding from diversified sources including term loans and cash credit facilities from public sector banks, private sector banks, small finance banks & other financial institutions and PTC and issuance of privately placed listed and unlisted NCDs to meet our capital requirements. As of September 30, 2023 and Fiscals 2023, 2022 and 2021, our total borrowings were ₹ 65,122.56 lakhs, ₹ 59,593.01 lakhs, ₹ 39,439.73 lakhs and ₹ 40,467.55 lakhs, respectively. Our average cost of borrowings as of September 30, 2023 and Fiscals 2023, 2022 and 2021 was 5.67%, 11.19%, 11.61% and 12.70%, respectively. As of September 30, 2023 and Fiscals 2023, 2022 and 2021, the weighted average residual tenure of our borrowings, was 26.88 months, 27.12 months, 28.89 months and 28.08 months, respectively. Further, our long-term and short-term ratings by CARE Rating Limited and ACUITE Rating & Research are BBB+ and A-, respectively.

Parameters in relation to certain Financial and Operational Information

The following table sets out parameters in relation to certain of our financial and operational information as of/for the periods/years indicated:

Financial KPIs

A list of certain financial data, based on our Restated Financial Information is set out below for the indicated Fiscals:

(₹ in lakhs, unless otherwise specified)

Particulars	For the six months period ended September 30, 2023	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Capital				
Shareholder Equity	18,535.38	16,843.13	15,174.38	14,193.21
Capital Adequacy Ratio	26.62%	27.02%	31.44%	27.31%
Profitability				
Total Income	8,828.93	13,331.71	10,661.94	10,576.43
Interest income	7,401.74	12,496.17	9,397.99	9,665.27
Net Interest Income	3,865.50	6,954.22	4,758.84	4,598.66
Profit After Tax	1,680.36	1,658.01	974.02	936.33
NPA / Asset Quality				
Gross NPA (%)	3.90%	3.74%	4.94%	2.79%

Particulars	For the six months period ended September 30, 2023	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Net NPA (%)	3.16%	3.14%	4.30%	2.37%
Earning per share				
Basic	4.46	4.40	2.59	2.49
Diluted	4.46	4.40	2.59	2.49

As certified by Venus Shah & Associates, Chartered Accountants pursuant to their certificate dated March 6, 2024 and has been included in "Material Contracts and Documents for Inspection – Material Documents" on page 451.

For reconciliation of certain non-GAAP measures, see *"Selected Statistical Information"* on page 270.

Operating KPIs

A list of our KPIs for the six months period ended September 30, 2023 and for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 are set out below:

(₹ in lakhs, unless otherwise specified)

Particulars	For the six months period ended September 30, 2023	As and for Fiscal		
		2023	2022	2021
Scale				
AUM	73,373.41	63,368.90	49,582.62	53,011.75
AUM Growth (%)	15.79%	27.80%	(6.47)%	3.93%
Capital				
Total Borrowings to Shareholder Equity ratio	3.51	3.54	2.60	2.85
Cost of Borrowings	5.67%	11.19%	11.61%	12.70%
Profitability				
Average Yield on Average AUM	10.83%	22.13%	18.32%	18.58%
Spread	5.15%	10.93%	6.71%	5.89%
NPA / Asset Quality				
Provision Coverage Ratio	19.00%	16.00%	13.00%	14.99%
Return Ratio				
Net Interest Income to Average AUM	43.78%	52.16%	44.63%	43.48%
Net Interest Margin	5.65%	12.31%	9.28%	8.84%
Operating Expenses to Average AUM	4.62%	9.76%	9.27%	8.12%
Credit cost to Average AUM	0.70%	1.47%	1.96%	1.48%
PAT to Average AUM	2.46%	2.94%	1.90%	1.80%
Return on Total Average Assets (%)	2.04%	2.46%	1.74%	1.72%
Return on Equity (%)	9.07%	9.84%	6.42%	6.60%
Distribution				
States	5	4	4	4
Locations	58	51	33	30
Productivity				
AUM/Location	1,265.06	1,242.53	1,502.50	1,767.06
AUM/Employee	63.58	76.63	74.79	85.50
Credit ratings				
CARE	BBB+/Stable*	BBB+/Stable	BBB+/Negative	BBB+/Negative
ACUITE	A-Stable* A/ CE/ Stable	A- /Negative A/ CE/ Negative	A- /Negative A/ CE/ Stable	A- /Stable -

Particulars	For the six months period ended September 30, 2023	As and for Fiscal		
		2023	2022	2021
BrickWork Ratings	-	BBB+/Negative	BBB+/Stable	A/Stable BBB+/Stable
CRISIL	A+*	A+	A+	A+
INDIA Ratings	IND A2*	IND A2	IND A2	-

**As on the date of filing the Draft Red Herring Prospectus.*

Notes: (1) AUM represents Advances under Management as disclosed by the company as of the last day of the relevant period.
(2) AUM Growth represents growth in AUM for the relevant period over AUM of the previous period.
(3) Total Borrowings to Shareholder Equity ratio represents total borrowings outstanding as on the last day of the period to total shareholder equity.
(4) Cost of Borrowings represents total interest expense divided by the average of sum borrowings, expressed as a percentage.
(5) Yield on Average Net Advances represent interest income on loans and advances divided by average of net advances, expressed as percentage.
(6) Spread represents difference of yield on advances and cost of funds for the company.
(7) Provision Coverage Ratio represents total provisions created on Gross NPA for the period, as a percentage of total Gross NPAs as of the last day of the period.
(8) Net Interest Income to Average AUM represents net interest income divided by average AUM, expressed as percentage.
(9) Net Interest Margin represents net interest income divided by total income, expressed as percentage.
(10) Operating Expenses to Average AUM represents operating expenses (sum of, fee and commission expenses, Employee benefits expenses, Depreciation and amortization expense, impairment on financial instruments and Other expenses) divided by average AUM, expressed as percentage.
(11) Credit cost to Average AUM represents impairment on financial instruments divided by average AUM, expressed as percentage.
(12) PAT to Average AUM represents profit after tax divided by average AUM, expressed as percentage.
(13) Return on Total Average Assets (%) represents profit after tax divided by average total assets, expressed as percentage.
(14) Return on Equity (%) represents profit after tax divided by total shareholder equity, expressed as percentage.
(15) States represents the geographical presence of our Company by means of physical branches in the States of India.
(16) Locations represents the geographical presence of our Company.
(17) AUM/Location represents AUM divided by total number of locations.
(18) AUM/Employee represents AUM divided by total number of employees.
(19) Credit Ratings represents the long-term credit ratings of our Company's various borrowing facilities on the basis of the assessment by independent rating agencies.

The details of our product wise revenues for the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021 is as follows:

(₹ in lakhs, except for percentages)

Particulars	For the six months period ended September 30, 2023		Fiscals					
			2023		2022		2021	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Vehicle Loans	8,828.55	100.00	13,331.64	100.00	10,659.06	100.00	10,565.63	100.00
Personal Loans	0.31	Negligible	0.00	0.00	0.00	0.00	0.00	0.00
Total	**8,828.86**	**100.00**	**13,331.64**	**100.00**	**10,659.06**	**100.00**	**10,565.63**	**100.00**

Our Strengths:

Established relationships with the Dealers.

We commenced our business in 1998 as a NBFC from Mumbai, Maharashtra and scaled up our operations from 2009 with vehicle financing. Our Company has established strong relationships more than 850 Dealers, including more than 60 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh, where our sales representatives are present at the dealer's premises to attend to the prospective customer who comes for the purchase of a 2Ws/3Ws/2EVWs/3EVWs. Our Dealer network acts as a point of sale in our business model. The Dealers play an important role in the vehicle financing ecosystem as vehicle purchase in India is mainly undertaken by the customer visiting the outlet of the Dealer of a particular OEM or a Dealer selling 2Ws/3Ws of multiple OEMs. The Dealer is normally the source in the ecosystem to become aware of the funding requirements of the customer who has come to purchase the vehicle and also a guide to the customer on the options of finance companies available for the purchase of the vehicle. The Dealer is therefore a critical source for our Company as he generates the lead on the funding requirements of the customer. Our strong relationship with the Dealers enables immediate access to the information on the funding requirements of the customer and helps in responding to these requirements by our representatives present at the dealer's premises and inform the customer about the quick TAT in the sanction and disbursement of the vehicle loan, if availed from our Company.

Dealers prefer to refer and recommend finance companies who have the ability and capacity to turnaround the process from the loan origination to sanction and disbursement in the fastest possible time. To ensure quick processing of the lead generated by the Dealer, we have equipped our representatives with mobile phones and tablets which are connected to our systems at our Corporate Office through a software for a quick turnaround of the loan processing once basic KYC details are provided by the customer. To become the preferred finance company of the Dealer, we provide support in the form of customer specific schemes, Dealer incentives & trade advances and other marketing & branding support to enable increased sales by the Dealer.

To further strengthen our existing relationships with the Dealers and to establish newer relationships, we offer tailor made solutions for specific needs of the Dealers by offering quarterly, monthly and annual incentive schemes, organize dealer conferences and events.

Ability to expand to new underpenetrated geographies.

We scaled up our operations from 2009 with vehicle financing and are now present in 65 Locations spread across five states in western, central and north India. We initially focused ourselves on Maharashtra and after gaining the necessary knowledge and experience, we expanded our operations to other states like Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh. Before setting up a branch or location, we generally study the market dynamics of the area like its population, financial literacy levels of the people, access to banks and other NBFCs, nature of competition in these areas, existing Dealer networks, demand of any particular OEMs products in the area, existing tie-ups of banks and other financial institutions with Dealers and other considerations like population and market size data analysed from Vahan and FADA portals. We drive our growth through dealer networks whereas our Branches follow the hub and spoke model for handling functions such as operations and administration. Branches are established by us only in markets having sizeable opportunity. After carefully considering all these factors a decision is taken on opening of a branch or a location. A new branch or location has its own challenges related to Dealer satisfaction and servicing of the customers which our team on the ground and in the back-office are capable of handling. Various sales and marketing efforts and initiatives are required to be taken for opening and operating in a new location in which our team has developed the necessary expertise to attract potential customers.

It has been observed that rural income growth is an important determinant of two-wheeler demand. Rural income is a major driver for motorcycle sales as it contributes about ~55-60% of total sales. As of fiscal 2023, motorcycles account for ~63% of overall two-wheeler volumes whereas scooters account for ~30-% and the rest is moped and EVs. In fiscal 2024, farm family income is expected to decline marginally. However, other sources of income such as MNREGA, remittances will improve leading to uptick in incomes. *(Source: CRISIL Report)*

As of March 31, 2023, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers will also help the financiers to assess customers and cater to the informal sections of the society in these regions. *(Source: CRISIL Report)*

Demand for scooters mainly stems from the urban population, which accounts for 65-75% of the overall demand. Scooter demand picked up faster than motorcycle segment in FY23 as the urban mobility is recovering to normal with offices and educational institutions reopening post Q3 and Q4 of FY22. Urban demand sentiments continued improvements in Q1FY24 with reopening of offices and educational institutions. Going forward, in the urban areas, demand is expected to be aided from multiple ownership and an increase in demand. *(Source: CRISIL Report)*

Two-wheeler loan disbursements increased by 19% CAGR between fiscals 2015 and 2020, led by an increase in average vehicle prices, considerable shift of consumer preference towards premium segments (mostly in urban areas), increasing loan-to-value (LTV), and higher finance penetration. (*Source: CRISIL Report*)

Our AUM has grown from ₹ 53,011.76 lakhs in Fiscal 2021 to ₹ 73,373.41 lakhs during six months period ended September 30, 2023, with a CAGR of 13.89%. While our AUM has grown to as of, our growth has primarily been volume led with consistent ATS and steady yields. Our success and growth in New Vehicle Loans is an outcome of our customer and dealer centric business model, where through our special incentives and schemes we address issues faced by both the Dealer and customers and provide specific solutions. We have established systems and processes that enable us to identify local level opportunities, ensure careful customer selection, timely loan approval & disbursals and efficient real time monitoring of collections.

Access to diversified and cost-effective long-term borrowing.

We secure our funding from diversified sources including term loans and cash credit facilities from public sector banks, private sector banks, small finance banks & other financial institutions and PTC and issuance of privately placed listed and unlisted NCDs to meet our capital requirements. We have over the years developed long term relationships with various banks, NBFCs and other financial institutions for our funding requirements. We borrow funds from these sources and together with our own fund lend to the customers for their asset acquisition or funding requirements. We use various financial structures and issue various financial instruments for cost effective borrowing of funds from these institutions. Financial instruments like NCDs and PTC help us in achieving optimum levels of financial management and controls. We have entered into a co-lending arrangement with Muthoot Capital Services Limited on an 80:20 fund sharing basis in terms of RBI guidelines, where 80% of the funds are provided by Muthoot Capital Services Limited and the balance 20% is our obligation. On the operational aspects of this co-lending arrangement, our Company is undertaking all front-end and back-end lending, processing and collection activities under its name and brand. We are acting as the security agent in this arrangement where creation, perfection and enforcement of the security interests in the vehicle funded under this arrangement. We are also liable to buyback the customers who are more than 75 DPD under the co-lending arrangement. As of September 30, 2023 and Fiscals 2023, 2022 and 2021, our total borrowings were ₹ 65,122.56 lakhs, ₹ 59,593.01 lakhs, ₹ 39,439.73 lakhs and ₹ 40,467.55 lakhs, respectively. Our average cost of borrowings as of September 30, 2023 and Fiscals 2023, 2022 and 2021 was 5.67%, 11.19%, 11.61% and 12.70%, respectively.

Technology driven and scalable operating model with quick Turn Around Time (TAT) for loan processing.

We have established systems and processes from sales to risk management and collections. Most of our systems and processes are in-house or have licensed from known service providers. This enables better monitoring and quality control of our services and helps in reducing the turnaround time for loan approvals, sanction and disbursement. We have organised each of our functions into separate activities and depolyed the necessary technology, manpower and systems to ensure smooth running of all operations in a collective and conducive environment. We use a Customer Relationship Management (CRM) platform for business operations with almost all functions on the cloud. We have an arrangement with a TU CIBIL service provider for providing access to its database, to get information regarding the credit rating of customers and service provider for KYC and bank account verification. We have installed the marketing automation tool from Salesforce which enables lead-based marketing of our products. In addition to systems like E-NACH and AADHAR enabled e-sign used for auto-debit of customers bank accounts, we also use Power BI for better data monitoring/intelligence, in-house developed LMS (Loan Management System) for data monitoring and LAS (Loan Accounting System) that enables us to check profitability at the Branch level. We use IT service management software for supporting our customer service. We have also integrated our payment systems with all the leading payment gateways provided by Razorpay Software Private Limited, virtual bank payment facilities and such other services. We are also availing services from Karix Mobile Private Limited, one of the mobile engagement and communications provider for SMS solutions for day-to-day customer service. For further information, see "*Our Business- Information Technology*" on page 219.

Extensive collections infrastructure and processes leading to maintenance of our Company's asset quality.

While our underwriting model contributes to suitable customers being onboarded on a quick TAT basis, we have also focused our resources in creating an extensive on-ground collections infrastructure to ensure that we maintain an appropriate asset quality. More than 80% of our monthly collection are received through NACH on the scheduled EMI date. We have an in-house collections team, responsible for detecting likely default early, thereby keeping a check on low Gross NPA. We have a three-tier collections infrastructure, comprising of (i) tele-calling; (ii) field collection; and (iii) legal recovery in order to optimize collections and minimize NPAs. Additionally, we deploy external collection agencies to assist our in-house collections team in the collection or recovery of outstanding dues from customers, where required, in accordance with RBI Guidelines.

Our collections strategy is based on the different stages of a loan and default in payment of the EMIs by customers. We have in place a monitoring system with dedicated procedure required to be followed at each stage. Our monitoring team and processes ensures involvement and intervention from various personnel across our business, which keeps a check on the asset quality. Our collections team consist of 420 personnel who are assisted with the required technology to ensure collection of monthly instalments. Our collection representatives are able to access customer data on their mobile devices and issue receipts through the device provided by our Company.

Further, our collection team is provided with a priority list of overdue customers. To keep a check on the initial stages of delinquency, we focus on soft collections and send customers SMS reminders of their upcoming loan repayments and follow-up with tele-calls immediately after a customer fails to make their monthly payment. For higher stages of delinquency, our collections efforts include frequent follow up for collections, including reminder messages and calls. In the event of continuous default, we assign the case to our recovery teams who have the expertise in dealing with such cases. For customers categorised as NPA accounts, if our collections and recovery team is unable to recover payments, we typically initiate legal action, including filing of appropriate proceedings. Our Gross NPA was 3.90%, 3.74%, 4.94% and 2.79% for the six months period ended September 30, 2023, Fiscals 2023, 2022 and 2021, respectively, and Net NPA was 3.16%, 3.14%, 4.30% and 2.37% for the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, respectively.

Experienced Promoters and professional management team.

Our Promoters have vast knowledge and experience in the NBFC sector. They have been the driving force in developing and growing our business. Their understanding of the industry requirements, intuitive entrepreneurship and involvement in key aspects of our business has helped accelerate and drive our profitable growth. Our Promoter and Managing Director, Manish Kiritkumar Shah oversees functions such as identifying opportunities, building and maintaining relationships with key stakeholders and implementing technology solutions to streamline operations and support growth in our Company. Our Promoter and Whole Time Director & Head - Business Development, Nikita Manish Shah oversees functions such as marketing, strategy management and corporate social responsibility activities in our Company. Our Promoter and Whole Time Director & Chief Business Officer, Monil Manish Shah oversees functions such as sales & strategy, marketing and business expansion and has played a pivotal role in formulating and executing our Company's overall business strategy to drive growth and profitability. Further, our Promoters are complemented by a professional Senior Management team which shares the same vision and values as them to drive our growth.

We believe that we have attracted and retained senior experienced professionals with operational and technical capabilities, management skills, business development experience and financial management skills. Our Promoters, Directors and Senior Management team help us in implementing our business strategies in an efficient manner and continue to build on our track record of successful product offerings. We will continue to leverage the experience of our management team and their understanding of our business to take advantage of current and future market opportunities with focus on funding requirement, product offerings, and profitability.

Our in-house credit & risk team acts as a layer to filter high risk loan applications, pro-active assessment and monitoring of geographical pockets that generate NPAs with prompt steps taken against defaulters so as to mitigate risks. We also have a trained in-house collection team which not only helps us in saving operations costs but also ensures resolution of issues and problems in collection of dues from customers.

For further information, see *"Our Business - Human Resources"* and *"Our Management"* on pages 220 and 240, respectively.

Strategies:

Increasing penetration in existing markets and diversifying into new markets.

In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023.

Reflecting the growing importance of NBFCs in the financial services landscape and their ability to offer differentiated solutions to meet the requirement of target customers, the market share of NBFCs in overall systemic credit has increased from approximately 16% in Fiscal 2017 to approximately 18% in Fiscal 2023. *(Source: CRISIL Report)*

The Indian financial system includes banks and non-banking financial companies (NBFCs). Though the banking system dominates financial services, NBFCs have grown in importance by carving a niche for themselves by catering to customers in underbanked regions or those who would not be catered to by traditional financial institutions, due to absence of credit history or lack of proper collateral records. (*Source: CRISIL Report*)

We commenced our business in 1998 as a NBFC from Mumbai, Maharashtra and scaled up our operations from 2009 with vehicle financing and presently operate out of 65 Locations across five (5) states, Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh, providing financial services to our target customers being the salaried and self-employed. We intend to further penetrate our existing markets by not only offering 2Ws/3Ws/EV2Ws/EV3Ws loans but also diversify our loan portfolio to new products such as Used Car Loans, Small Business Loans and Personal Loans to customers. We have gained significant knowledge and experience of the markets and customers in general in the five (5) states that we operate. The knowledge and experience gathered over the years of serving in these markets offer us an advantage in further penetrating these markets into areas and districts not yet serviced by us. We launched our new product offerings in Gujarat in the year 2018 and achieved disbursements of more than ₹ 50,000 lakhs by 2023. We entered Rajasthan in the year 2020 and disbursed ₹ 7,500 lakhs by 2023. We further expanded our operations to Chhattisgarh in the year 2022 and we have recently launched our operations in Madhya Pradesh. We identified Chhattisgarh and Madhya Pradesh for expansion considering the size of the market in these states, appetite for credit in the 2Ws/3Ws/EV2Ws/EV3Ws space and the geographical vicinity to our existing markets and operations.

We intend to continue the progress made through expansion of our operations in the five (5) states and further add the state of Uttar Pradesh. Densely populated states like Bihar and Uttar Pradesh have rural credit share at 21% and 16%, respectively, which is low considering majority of the population lives in rural areas. *(Source: CRISIL Report)*

We will begin our operations from the city of Lucknow, Uttar Pradesh and then slowly move towards other parts of Uttar Pradesh. We have already appointed senior personnel for this expansion and are in the process of forming a team for the launch by April 2024. We have successfully tried and tested this model in other states and we believe that our strategy can be replicated successfully in Uttar Pradesh as well. We believe that with an increased portfolio of product offerings we will be able to increase our penetration in existing markets and also expand our reach to newer markets like Uttar Pradesh.

Continue focus on vehicle finance and the growing 2Ws/3Ws/EV2Ws/EV3Ws market.

In the long-term, CRISIL MI&A expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 10-12% from fiscal 2023 to fiscal 2026 post a robust recovery in fiscal 2023. Improving rural productivity, diversification towards horticultural crops, government income support schemes and structural measures taken by the government such as PM-KISAN, eNAM, Pradhan Mantri Fasal Bima Yojna (PMFBY) to name a few, will aid rural income in the long run. This is expected to drive sales of motorcycle segment, which will be a primary beneficiary of the rural growth. *(Source: CRISIL Report)*

Electric two-wheelers to contribute ~27-32% of domestic two-wheeler sales by fiscal 2028, adoption to ramp up - In order to curb pollution levels, electric vehicles (EV) are gaining global interest. In India as well, electric vehicles are gaining popularity as the government is extending support via Faster Adoption and Manufacturing of Hybrid and Electric (FAME)-2 vehicles and tax rate cuts to give a boost to EV adoption. *(Source: CRISIL Report)*

In fiscal 2023, total electric two-wheelers (eTW) sales were recorded at 7.26 lakh units vs. 2.52 lakh units sold in fiscal 2022 (188% growth on year). 22-25% of the eTW sold in fiscal 2022 were low-speed scooters compared to ~70-73% in fiscal 2021 with maximum speed of 25km/hr and do not need registration with the transport authorities. The low-speed scooter segment is highly unorganized. Many players import parts largely from China and assemble these in India. These being low in cost at around Rs 0.3 Lakh, having low speed as well as range are used for short distance commute. (*Source: CRISIL Report*)

New Vehicle Loans constitute 99% of our total AUM and we will continue to focus our efforts on this product. We have over a period of time established ourselves as an NBFC focused on vehicle finance, especially 2Ws/3Ws. We will continue to focus on this market which is changing and evolving on a continuous basis with new products like EV2Ws and EV3Ws, which are now being increasingly preferred by customers due to the various benefits in an era of high fuel prices. The EV3Ws space is also catching up which is mainly a commercial segment, as small businesses and private transporters are now preferring EV3Ws for their business operations to save on high fuel costs and increase their margins by using EV3Ws for local or short distance transport. We have entered into arrangements with more than 60 EV Dealers and offer various incentives to customers for the purchase of EV 2Ws/3Ws vehicles.

Diversifying our portfolio into Used Car Loans, Small Business Loans and Personal Loans.

Small business loans grew at a fast pace, registering a CAGR of 15% over fiscal 2018 and 2023. Going forward, small business loans are expected to grow at 15% CAGR between fiscals 2023 and 2026 led by both LAP and Non-LAP segments aided by increasing penetration, enhanced use of technology, newer players entering the segment, and continued government support. NBFCs have managed to carve out a strong presence in small business loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. As of fiscal 2023, the cumulative market share of NBFCs in small business loans outstanding has increased from 21% in fiscal 2018 to 33% in fiscal 2023.Going forward, we expect the market share of NBFCs in this segment to continue to increase and touch 38% by fiscal 2026. (*Source: CRISIL Report)*

The overall personal loan book, which increased at 28% compound annual growth rate (CAGR) between fiscals 2019 and 2023, is expected to grow in the range of 25-27% in fiscal 2024. NBFCs have outpaced banks in terms of growth in outstanding, leveraging their specialised focus and extensive branch network to reach remote areas. This coupled with high contribution from the digital platform, drove growth to a significant 57% leap in fiscal 2023. The credit growth of banks on a higher base was healthy at 32% in fiscal 2023 spurred by credit demand and aggressive focus on retail portfolio. Additionally, with a salaried customer base coupled with relatively higher share of tier-1 cities in the portfolio, the banks' borrower segment faced lower cashflow disruptions, thereby realizing a relatively better asset quality performance compared to NBFCs. In the case of NBFCs, with a higher share of the self-employed segment coupled with higher share of tier 2 and lower cities in the portfolio, the asset quality was relatively weaker compared to banks. *(Source: CRISIL Report)*

With NBFCs growing faster than banks, CRISIL MI&A expects NBFCs to increase their market share further in fiscal 2024. NBFCs have seen a sharp rise on account of an aggressive strategy and a low base. CRISIL MI&A expects NBFCs to sustain the pace of growth and capture share from banks. Fintechs and NBFCs compete fiercely with banks even though they cater to different consumer segments. Banks primarily focuses on salaried, higher-ticket-size borrowers, while NBFCs and fintechs focus on bridging the financing gap for self-employed, low income, younger generation, and smaller ticket size borrowers. *(Source: CRISIL Report)*

CRISIL MI&A estimates the total size of the used car financing market to be around Rs. 8,300,000 Lakh at end of March 2023.This market size includes loans provided by banks and NBFCs for used cars, which has grown at a CAGR of ~11% between fiscals 2019 and 2023. CRISIL MI&A projects the overall industry growth to be faster at 14-15%, as compared to 11% in the past owing to an increase in the middle-class population in the country, higher disposable income, increasing formalization of the sector and the greater availability of used cars. *(Source: CRISIL Report)*

We intend to offer Used Car Loans with a ticket size of ₹ 2.00 Lakh to ₹ 6.00 Lakhs. We intend to offer this product to our aspirational 2Ws/EV2Ws vehicle finance customers who desire to upgrade or add a car to their existing vehicle with this loan. The existing database and relationship with these aspirational customers will help us in rapidly increasing this product offering. We are entering into tie-ups with Used Car Dealers for funding their customers for the purchase of used cars.

We have recently started offering Small Business Loans in Maharashtra under our product MANBA Vyaapaar loans. We intend to offer Small Business Loans having a ticket size of ₹ 0.75 lakhs to ₹ 10.00 lakhs and Personal Loans upto ₹ 1.00 lakh. We are first offering these products to our existing vehicle finance customers who are eligible to avail these loans as we understand their funding requirements and have the necessary knowledge, data and information on their borrowing capacity and repayment history. We have also employed experienced professionals who have significant experience in MSME lending to small businesses and Personal Loans.

Leveraging our existing Branch and location setup by adding new products.

We presently operate out of 65 Locations in Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh providing financial services to our target customers. We intend to leverage our reach to our customers through our Branches and offer Used Car Loans, Small Business Loans under our product MANBA Vyaapaar loans and

Personal Loans. We believe that leveraging our existing Branches and Locations as a base for offering these new loan products will enable speedy growth of these product offerings.

We offer Small Business Loans to MSME businesses from ₹ 0.75 lakhs to ₹ 10.00 lakhs for a tenure of 12 months to 48 months with our target customers being small businesses like kirana stores, medical stores, carpenters, small manufacturing units and tailors. We have recently launched our Personal Loan offerings in July 2023 and offer this product on a commitment of quick TAT for sanction and disbursement. We have launched this product in all the five (5) states in which we presently operate. We offer Personal Loans upto ₹ 1.00 lakh to our target customers who are salaried and self-employed individuals who require funds on an immediate basis and do not have the time to avail secured borrowings.

Our Company funds the customer for the purchase of the Used Car where the vehicle to be acquired is upto 12 years old and the funding tenure to be between 12 months to 48 months. Our ticket size for the Used Car Loans is between ₹ 2.00 lakhs to ₹ 6.00 lakhs. We have already launched these products in the Mumbai market in December 2023 and from April 2024, we are planning to launch these products in the certain markets of Maharashtra and Gujarat.

Continue to invest in technology and digitization initiatives to enhance our operating model and improve customer experience.

We will continue to focus and invest in technology and digitization initiatives which is the backbone of our business and operations. We have planned various technology related upgrades and adoption of newer technologies in the near future. We plan to launch our web-based app to provide a dedicated logins for business correspondents across Branches and Locations using a pre-determined set of business rules for acquiring customers. We also intend to launch a new web-based app for our customers which will enable them to track their existing borrowing facility with us as well as apply for new loans. This app will have a feature to capture important data points of customers including their location, photographs of their residence or office with GPS coordinates. Various data points with a ready to fill application form in this app which will help in underwriting and subsequent customer evaluation during the collection process. We also plan to integrate our Salesforce marketing cloud for engaging with potential customers online across social media platforms for upsell or cross sell initiatives. We are working on a WhatsApp based messaging system for existing customers to enable them to enquire about their loan application status, statement of accounts, payment links, raise queries and request for NOC and loan related services. These initiatives will be integrated with our back-end loan management systems, banking systems and fintech payment APIs for quick disbursements. We will further replicate our existing systems and processes for vehicle loan sanction and disbursement for our new loan products viz. Used Car Loans, Small Business Loans, and Personal Loans. For our executives in the field, we plan to provide them with a new android-based device with a built-in printer for issuing receipts which can be used for cash collections. These devices will co-exist with already existing GPRS enabled cash collection devices and will help our field executives for higher bucket cash collections.

Enhance our brand recall to attract new customers.

Considering the competition in the NBFC lending space, we believe that having a strong brand is a key requirement of our business, which will help us attract and retain customers & Dealers, increases customer confidence and influence purchaser's decisions. We intend to continue to take initiatives to increase the strength and recall of our 'Manba' brand to attract new customers. We normally market our brand through hoardings, advertising on buses, dealer gate panels, standees, table placers and such other marketing and branding initiatives. We also have an incentive scheme for our customers where we enter into referral arrangements with them for the new customers introduced by them to our Company. As of September 30, 2023 and Fiscals 2023, 2022 and 2021, we have spent ₹ 2.40 lakhs, ₹ 68.20 lakhs, ₹ 58.79 lakhs and ₹ 220.09 lakhs, constituting 0.03%, 0.51%, 0.55% and 2.08%, respectively of our revenue from operations on marketing and business promotion.

We seek to further build our brand by engaging with existing and potential customers through various customer programs and schemes, sponsor popular events and festivals in the regions we operate and advertise in physical and digital media for enhancing our reach and brand to the general public. A strong and known brand also helps in recruiting and retaining employees and keeps organisational motivation at high levels.

Description of our Business Operations

We are a NBFC-BL providing financial solutions for the purchase of New Vehicle Loans, Used Car Loans, Small Business Loans and Personal Loans. We have recently launched Used Car Loans, Small Business Loans and Personal Loans.

New Vehicle Loans

In fiscal 2023, two-wheeler sales witnessed significant growth of 19% in fiscal 2023 on a very low base due to improving demand sentiments and normalization of economic activities and mobility. Under two-wheeler segments, scooters grew at a faster pace than motorcycles as urban sentiments are recovering faster due to increased mobility driven by reopening of offices and educational institutes. However, overall sales volume is still below the pre-pandemic levels due to significant price hikes witnessed by two-wheeler segment in last three fiscals thereby affecting consumer sentiments. *(Source: CRISIL Report)*

Two-wheeler volumes are projected to improve by ~9-10% in fiscal 2024 after robust growth of 19% in fiscal 2023. This improvement in sales is expected to be driven by both motorcycle and scooters which are expected to record a ~9-10% growth each. Motorcycle sales will be driven by improving income sentiments, pick up in rural incomes with real rural wages turning positive. Furthermore, the normal monsoon prediction is likely to have a positive impact on the demand for motorcycles. Scooter sales will be driven by continued shift on account of scooteriation with reduction in FAME subsidy restricting further rise in electric sales. *(Source: CRISIL Report)*

In the long-term, CRISIL MI&A expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 10-12% from fiscal 2023 to fiscal 2026 post a robust recovery in fiscal 2023. Improving rural productivity, diversification towards horticultural crops, government income support schemes and structural measures taken by the government such as PM-KISAN, eNAM, Pradhan Mantri Fasal Bima Yojna (PMFBY) to name a few, will aid rural income in the long run. This is expected to drive sales of motorcycle segment, which will be a primary beneficiary of the rural growth. (*Source: CRISIL Report*)

About 99% of our loan portfolio comprises of New Vehicle Loans with an average ticket size (ATS) of ₹ 0.80 lakhs in principal amount. Our target customers are mainly (i) salaried; and (ii) small business who intend to purchase a new 2Ws/3Ws/EV2Ws/EV3Ws. We normally fund around [85%] of the purchase price (*on road price*) of the vehicle proposed to be acquired by the customer of our New Vehicle Loans and prefer the customer to contribute the balance. This is the ideal funding proportion and equity commitment for the purchase of the asset as it ensures financial discipline on the part of the customer and reduces defaults.

More than 85% of our New Vehicle Loans are sanctioned on same day of the application, out of which 60% are sanctioned within one (1) minute of the receipt of the application through our sales teams. Our systems provide and analysed LTV, CIBIL score, vehicle model, residence type, customer category and other eligibility parameters already set-up in our systems in quick time enabling a faster approval process followed up with disbursement of the funds to the Dealer. We offer various schemes to our customers and Dealers almost the entire year and especially during the festival season. We offer New Vehicles Loans for a tenure ranging from 6 months to 48 months.

The process chart for approval and disbursement of New Vehicle Loans is set out in Credit Process hereinbelow.

In order to initiate a loan application for purchase of two-wheeler and three-wheeler, a customer may visit our dealer touchpoints, where their know-your-customer details are seamlessly logged into our system.

For applicants who meet our pre-defined straight-through processing criteria, our system expedites the initial approval process, whereby swift approvals are triggered for such customers and system-based notifications are dispatched within 1 (one) minute.

However, for applicants falling outside our pre-defined straight-through processing parameters, our credit executives manually conduct a thorough tele-verification process to gain further insights into such applicants' background. Simultaneously, our credit underwriters scrutinize each application by performing deduplication checks, carrying out identity verification checks and CIBIL score analyses in accordance with applicable, established credit guidelines.

Upon completion of our evaluations, if our applicants are eligible for loans with field investigation waivers, a sanction is granted to such applicants. With a view to ensure responsible lending practices, assigned field inspectors, affiliated with appointed independent third-party agencies, visit our applicants and submit their detailed assessment reports directly into our system. Thereafter, our system, upon evaluating all data points, delivers either a final sanction or a well-reasoned rejection to our applicants. Our streamlined process, encompassing both, system-driven automation and human expertise, provides a swift, efficient, and responsible loan application experience for our diverse clientele.

Top-up Loan

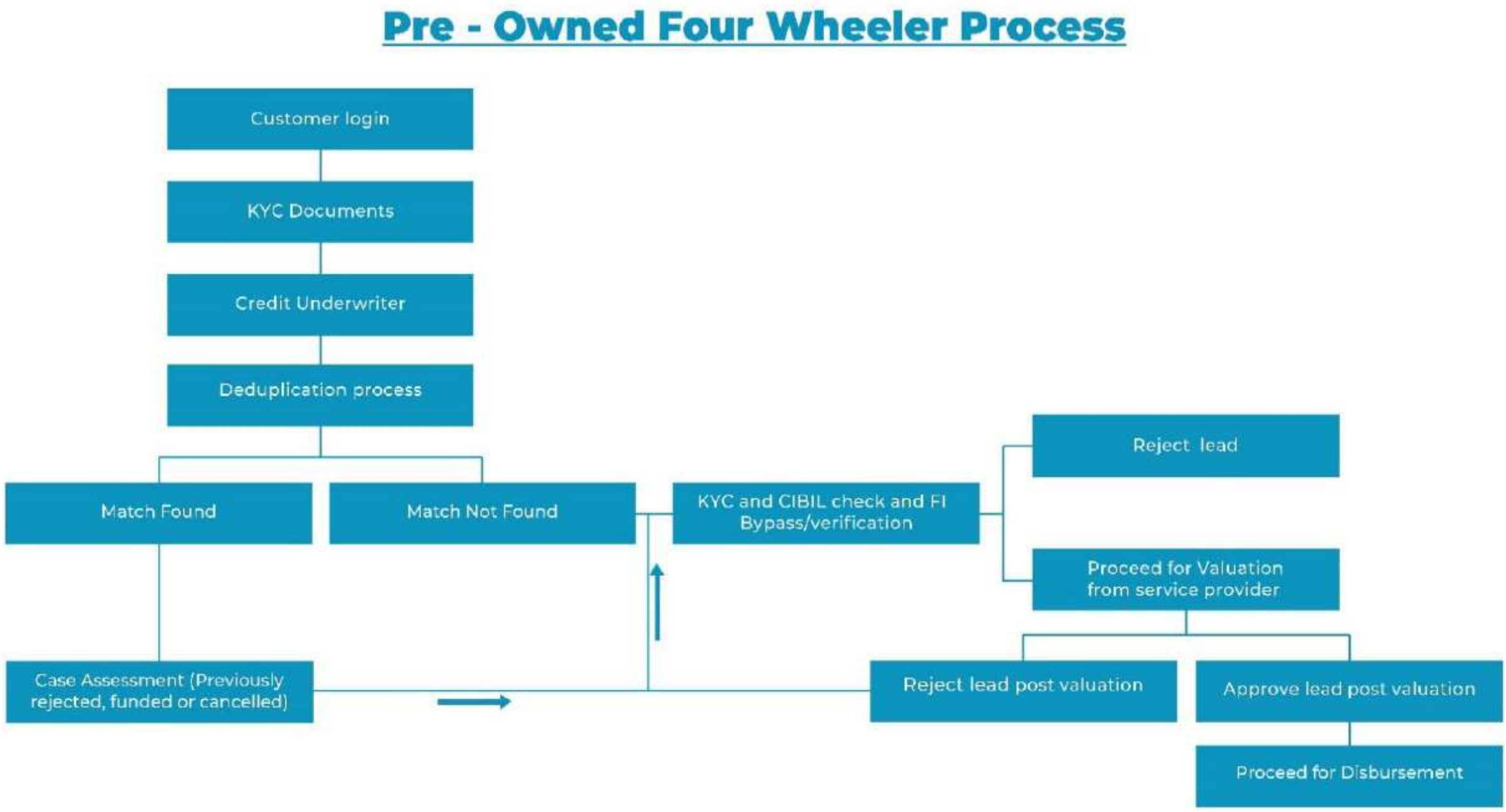
The Top-up Loan is an additional credit that can be availed by a customer over and above an existing New Vehicle Loan.

The process chart for approval and disbursement of Top-up Loans is set out in Credit Process hereinbelow.

For top-up loans, basis leads previously generated, our top-up loan sales team calls our existing 2 (two) wheeler loan customers. The know-your-customer details of such customers are then seamlessly logged into our system. Thereafter, our credit executives manually conduct a thorough tele-verification process to gain further insights into such applicants' background. Simultaneously, our credit underwriters scrutinize each application by performing deduplication checks, carrying out identity verification checks and CIBIL score analyses in accordance with applicable, established credit guidelines.

Upon completion of our evaluations, if our applicants are eligible for loans with field investigation waivers, a sanction is granted to such applicants. With a view to ensure responsible lending practices, assigned field inspectors, affiliated with appointed independent third-party agencies, visit our applicants and submit their detailed assessment reports directly into our system. Thereafter, our system, upon evaluating all data points, delivers either a final sanction or a well-reasoned rejection to our applicants. For approved applicants, we either set up an e-mandate or provide them with physical copies of NACH forms, after which, the sanctioned loan amount is disbursed.

Used Car Loans



We set-out below the process chart for approval and disbursement of Used Car Loans:

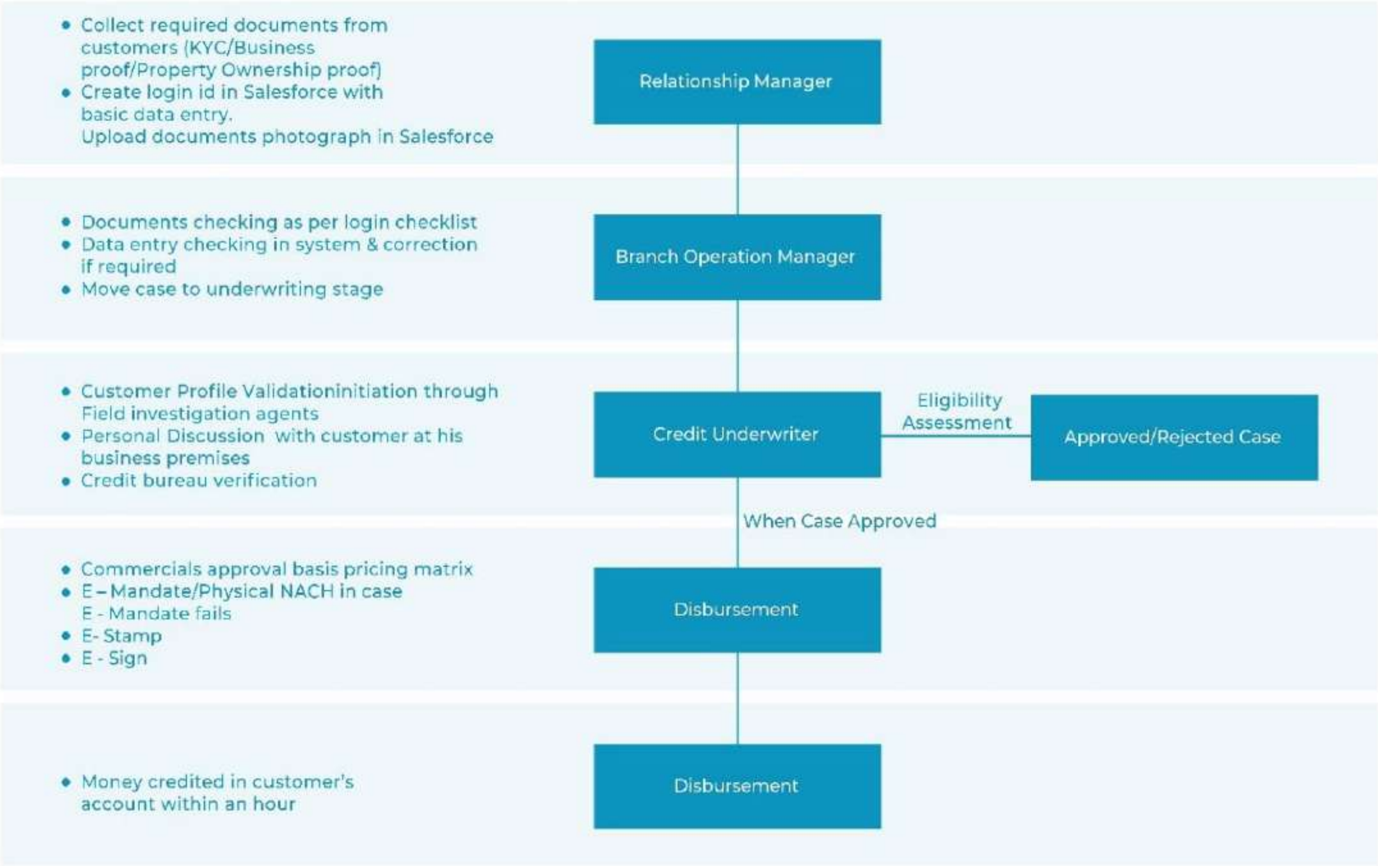
In order to initiate a loan application for purchase of Used Cars, a customer may visit our dealer touchpoints, where their know-your-customer details are seamlessly logged into our system.

For applicants who meet our pre-defined straight-through processing criteria, our system expedites the initial approval process, whereby swift approvals are triggered for such customers and system-based notifications are dispatched within 1 (one) minute. However, for applicants falling outside our pre-defined straight-through processing parameters, our credit executives manually conduct a thorough tele-verification process to gain further insights into such applicants' background. Simultaneously, our credit underwriters scrutinize each application by performing deduplication checks, carrying out identity verification checks and CIBIL score analyses in accordance with applicable, established credit guidelines. Upon completion of our evaluations, if our applicants are eligible for loans with field investigation waivers, the application is sent to a service provider for valuation of the Used Car. With a view to ensure responsible lending practices, assigned field inspectors, affiliated with appointed independent third-party agencies, visit our applicants and submit their detailed assessment reports directly into our system. Upon submission of the field investigation report, the valuation is conducted. Thereafter, our system, upon evaluating all data points, delivers either a final sanction or a well-reasoned rejection to our applicants. Our streamlined process, encompassing both, system-driven automation and human expertise, provides a swift, efficient, and responsible loan application experience for our diverse clientele.

Our target customers for Used Car Loans are our existing customers who post owning a 2W/EV2W now desires to own a four wheeler but does have the financial resources to purchase a new car. Our Company steps in to fund his desire, subject to the customer being eligible as per our internal credit policy for Used Car Loans. As per our several conditions to fund this purchase by the customers, we would require the vehicle proposed to be acquired is upto 12 years old and the funding tenure to be between 12 months to 48 months. Our ticket size for providing funds for Used Car Loans is between ₹ 2.00 lakhs to ₹ 6.00 lakhs which should be around 75% of the value of the car.

Small Business Loans (Manba Vyapaar Loans)

We have recently launched our Small Business Loans viz. Manba Vyapaar Loans offerings in Mumbai, Maharashtra. The process will include the collection of data in relation to every customer to ensure we know all aspects of our customer profile prior to making a credit decision. We intend to launch this product in other markets of Maharashtra and gradually in states in which we presently operate. Our local knowledge of our customers' environment will assist us in our credit decision making process. We set-out below the process chart for approval and disbursement of Small Business Loans:



For Small Business Loans, our Small Business Loan sales team calls customers basis leads generated. The know-your-customer details of such customers along with proofs of current business, business vintage, property ownership and bank statements of the past 6 (six) months are then seamlessly logged into our system.

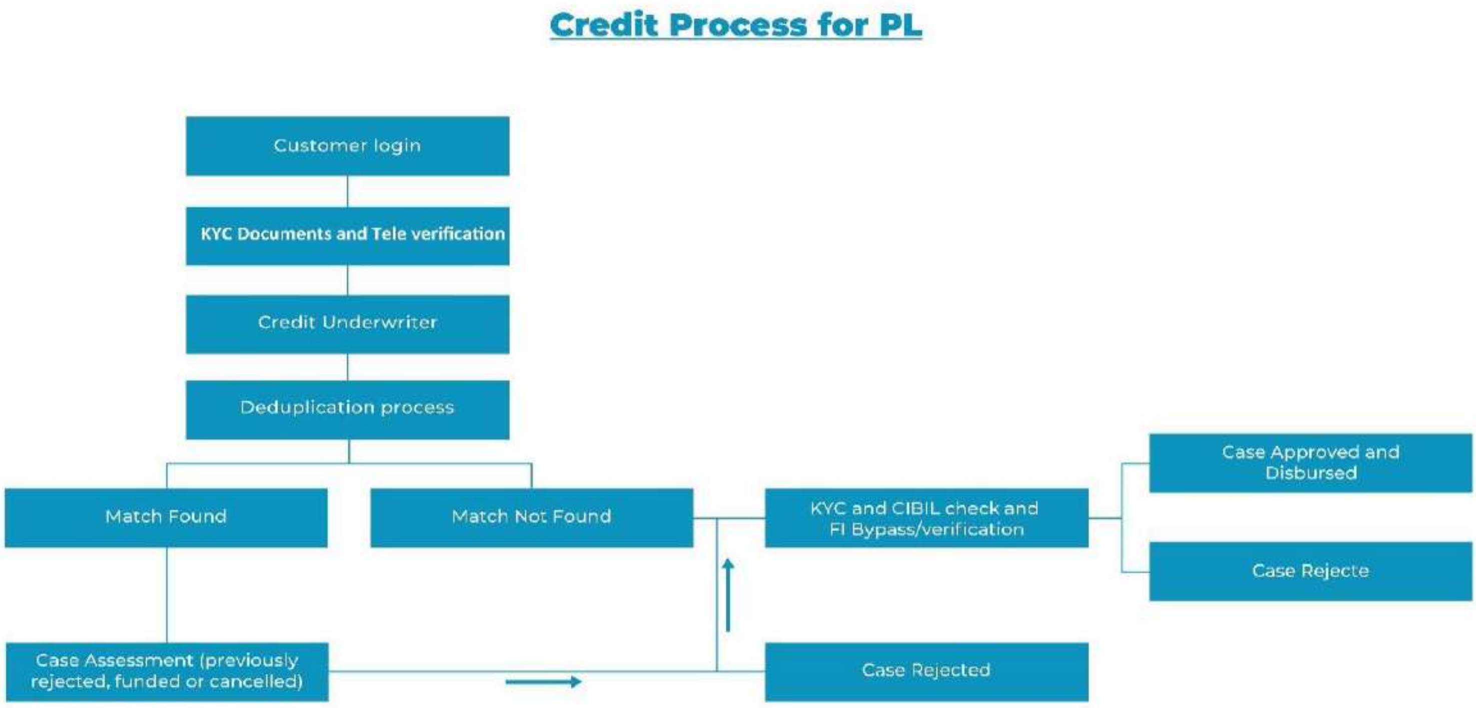
Thereafter, after conducting a verification process, digital copies of documents provided by such customers against our login checklist are uploaded into the Salesforce portal. Information entered on the Salesforce portal is authenticated by our team and any inconsistencies in the information provided are rectified to ensure optimal accuracy. Our relevant branch operation manager then conducts a case study of bank statements provided by the applicants through a third-party data analytics software and captures response obtained from such software along with the CIBIL report of the applicants and co-applicants, if any. Thereafter, a process of customer profile verification is initiated for which, assigned field inspectors, affiliated with appointed independent third-party agencies, visit our applicants and submit their detailed assessment reports directly into our system. After completion of our evaluations, our relevant business operations manager sends such applications for final login and for underwriting. Our credit underwriters thereafter scrutinize each application by performing deduplication checks, carrying out identity verification checks and CIBIL score analyses in accordance with applicable, established credit guidelines and personally visiting the applicant's business premises for personal discussion with the applicant conducting a calculation of the Net Disposable Income through a third-party web-based programme and capturing real time photos of the business premises with geotagging and making a credit analysis memorandum.

Upon completion of all our evaluations and verifications, if our applicants are eligible for loans, a sanction is granted to such applicants. For approved applicants, we either set up an e-mandate or provide them with physical copies of NACH forms. We also generate all documents such as the sanction letter, application form, insurance form, loan agreement, etc. which is e-stamped in accordance with the approved loan amount. All documents are sent to the applicant and co-applicant, if any, for e-signing. Once such applicant electronically signs all documents, our branch operation manager verifies the same and further processes the application. Once such approved applicant electronically signs their loan agreement, the sanctioned loan amount is disbursed.

We offer Small Business Loans to MSME businesses from ₹ 0.75 lakhs to ₹ 10.00 lakhs for a tenure of 12 months to 48 months with our target customers being small businesses like kirana stores, medical stores, carpenters, small manufacturing units, tailors and such other sections of the population running small and medium businesses.

Personal Loans

We have recently launched our Personal Loan offerings July 2023. We are offering this product on a commitment of quick TAT for sanction and disbursement. We offer Personal Loans upto ₹ 1.00 lakh to our target customers who are salaried and self-employed individuals who require funds on an immediate basis and do not have the time to avail secured borrowings. We set-out below the process chart for approval and disbursement of Personal Loans:



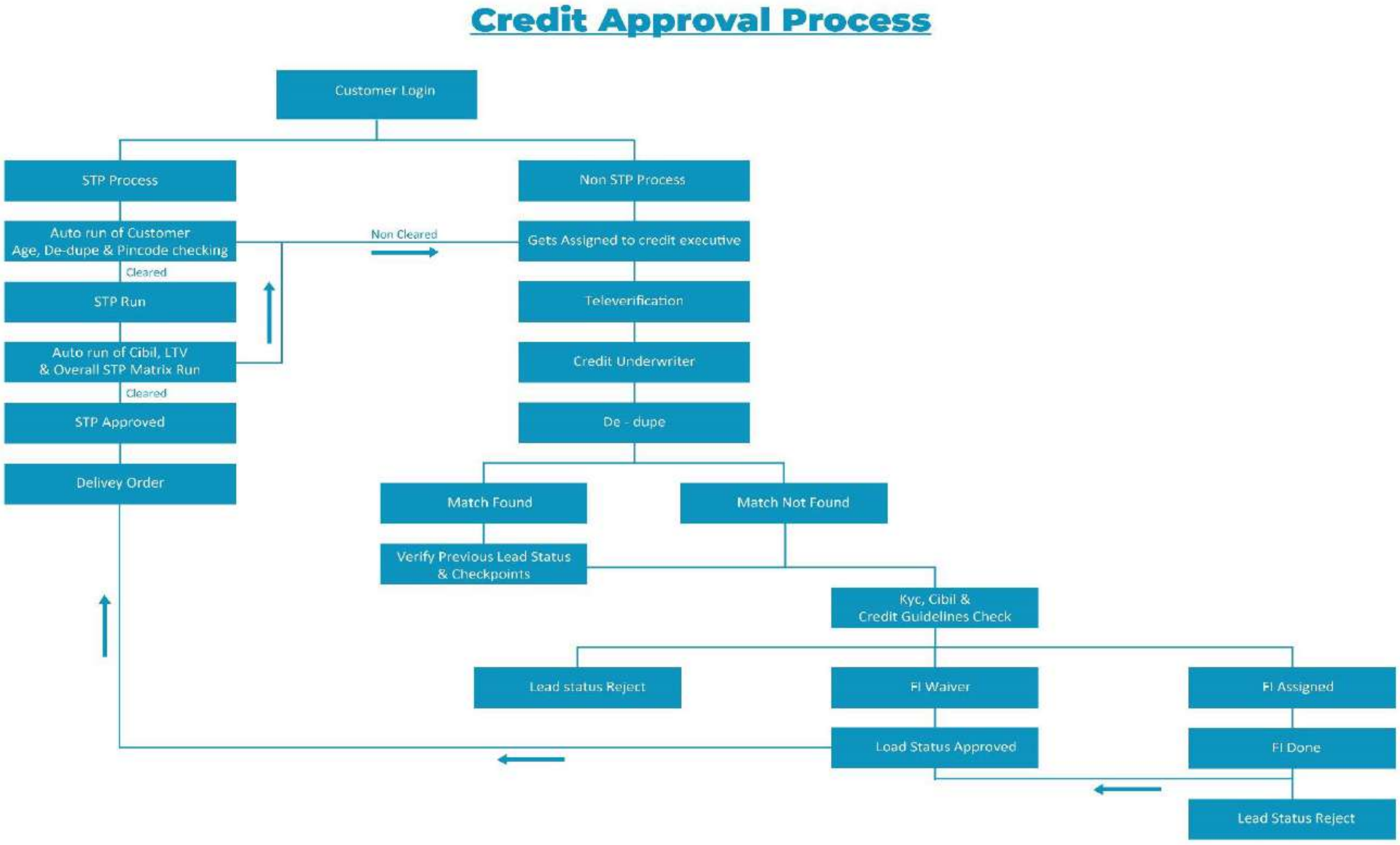
For Personal Loans, our Personal Loan sales team calls customers basis leads generated. The know-your-customer details of such customers are then seamlessly logged into our system. Thereafter, our credit executives manually conduct a thorough tele-verification process to gain further insights into such applicants' background.

Simultaneously, our credit underwriters scrutinize each application by performing deduplication checks, carrying out identity verification checks and CIBIL score analyses in accordance with applicable, established credit guidelines.

Upon completion of our evaluations, if our applicants are eligible for loans with field investigation waivers, a sanction is granted to such applicants. With a view to ensure responsible lending practices, assigned field inspectors, affiliated with appointed independent third-party agencies, visit our applicants and submit their detailed assessment reports directly into our system. Thereafter, our system, upon evaluating all data points, delivers either a final sanction or a well-reasoned rejection to our applicants. For approved applicants, we either set up an e-mandate or provide them with physical copies of NACH forms, after which, the sanctioned loan aunt is disbursed.

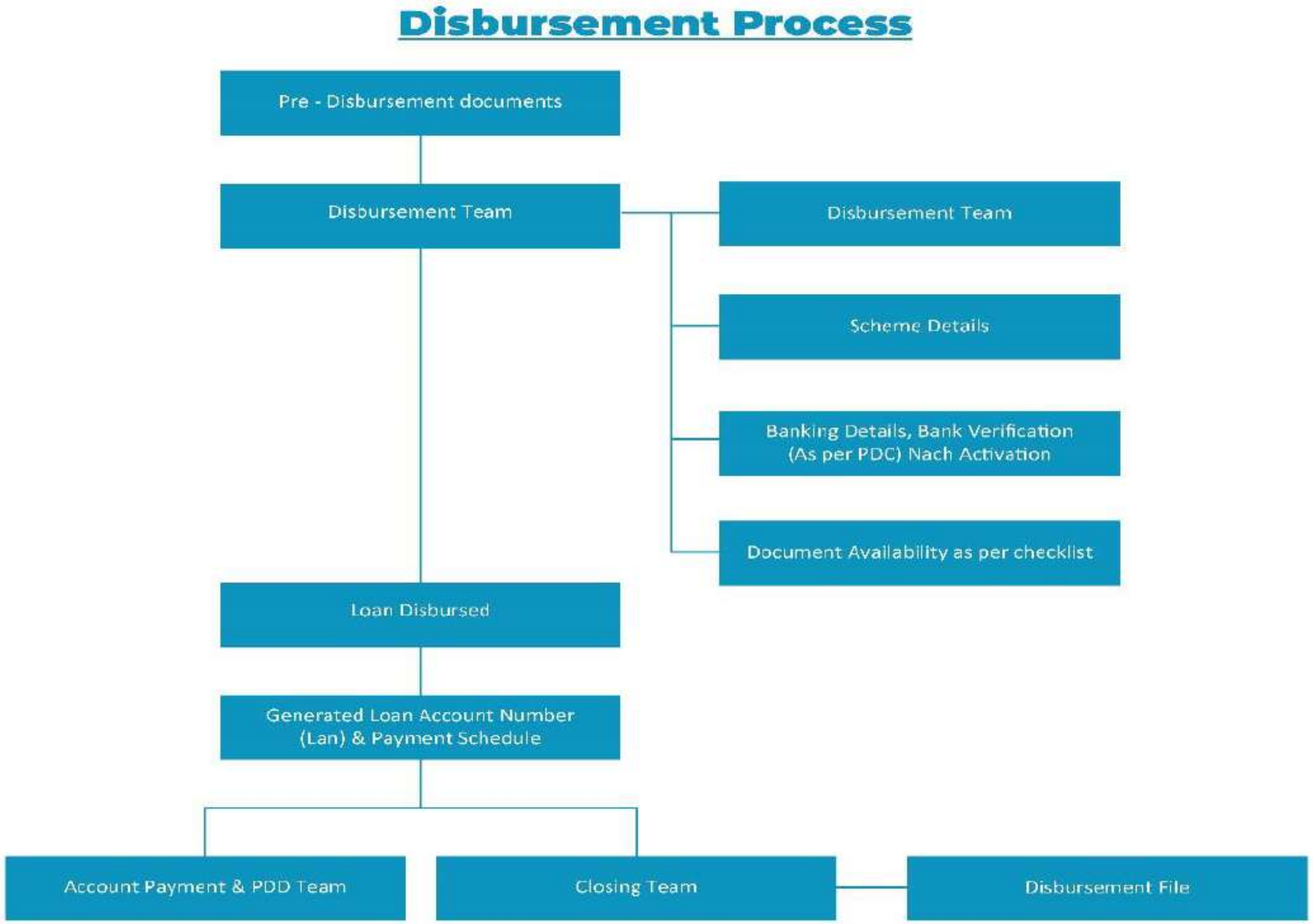
Credit Process for New Vehicle Loans and Top-up Loans

We set-out below the process chart for the sanction of New Vehicle Loans and Top-up Loans:



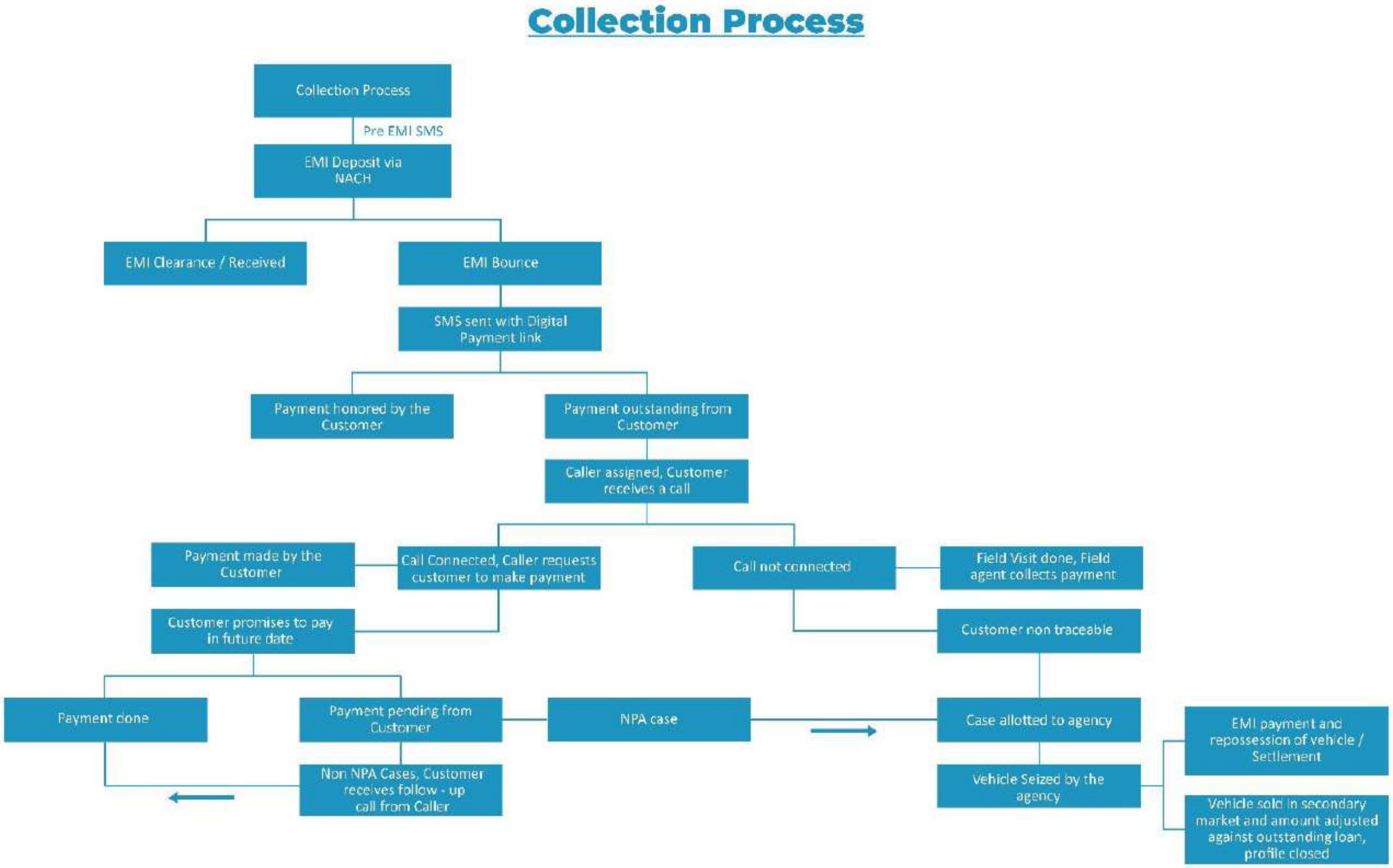
Disbursement Process

We set-out below the process chart for disbursement of a sanctioned loan:



Loan Collection, Monitoring and Enforcement

We set-out below the process of loan collection and monitoring:



Collection and Monitoring of Loans

We have set up a robust collection and monitoring process with prescribed collection action at each stage of severity of default. Our collection team analyses delinquent accounts and allocates them on a hierarchy basis. Low risk accounts are treated through interactive phone calls and text messages, low-to-medium risk loans, which range within 1 DPD to 30 DPD are treated through in-house call centers, where our efforts for collection include reminder messages, calls from our Branch and visits to the customer's business or residence. For medium-to-high risk accounts, where loans are between 31 DPD to 60 DPD are allocated to in-house collection teams, who have the experience and expertise in dealing with such accounts, who pay a visit to the customer in-person. Between 61 DPD to 90+ DPD, there is follow-up activity which may include the serving of a legal notice to the borrower and the co-applicants, filing of legal proceedings, if so required. We monitor our customer accounts regularly and undertake pre-delinquency management through a structured collection process wherein we remind our customers of their payment schedules through text messages and request them to maintain adequate balance in their account on the due date. Based on the severity of non-payment and location of our customer, in-house collection teams are assigned to collect the overdue amounts. Our collection management process ensures account-level tracking of payments, resolutions, flows and legal action. Difficult loans are allocated to senior members of the team along with support from collection agencies, if available. Additionally, we have an in-house legal department to initiate legal proceedings, for the purposes of recovering the amounts due from defaulting customers. We initiate recovery action immediately after the customer defaults in their monthly payment and the severity of our action increases including seizure of the vehicle after 90 DPD.

Enforcement of Loans

Our Company sends notices for possession of the vehicle to its borrowers in case of default in repayment of loan and interest which is unpaid by the borrowers in spite of written communication through notice/ E-mail/ SMS or any other mode of communication. Our Company itself or through a recovery agent are entitled under the loan agreement to take possession of the hypothecated vehicle. We also offer grace period post-seizure of the vehicle to enable the customer to fulfil his borrowing obligations. During the course of the recovery or seizure action undertaken by our Company or recovery agent appointed by our Company, if substantial or full payment is received from the customer by our Company, the hypothecated vehicle is released back to the borrower. There may be delays associated with the recovery processes in cases wherein the customer does not co-operate with our Company or the recovery agent or creates problems, hinderances, difficulties or lodges complaints with the local police station or initiates any proceedings against our Company or our recovery agents, while enforcing our right to take seize the vehicle. Therefore, if any of our customers take any recourse by way of filing legal proceedings against our repayment claims, it may cause a further delay in our recovery process and also lead to the depreciation of the hypothecated vehicle. Our Company may also initiate necessary actions and other legal remedies against the customer under provisions of the Arbitration and Conciliation Act, 1996, the Civil Procedure Code, 1908, Criminal Procedure Code, 1973, the Indian Penal Code, 1860 and/ or the Bharatiya Nagarik Surakhsha Sanhita, 2023, effective from July 1, 2024, the Bharatiya Nyaya Sanhita, 2023 effective from July 1, 2024, or under any other applicable law which may be in force.

Dealer Network

We have established relationship with more than 850 Dealers, including more than 60 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh who refer and recommend our Company to customers who are in the process of purchasing a new 2Ws/3Ws/EV2Ws/EV3Ws. We have set-out the details below:

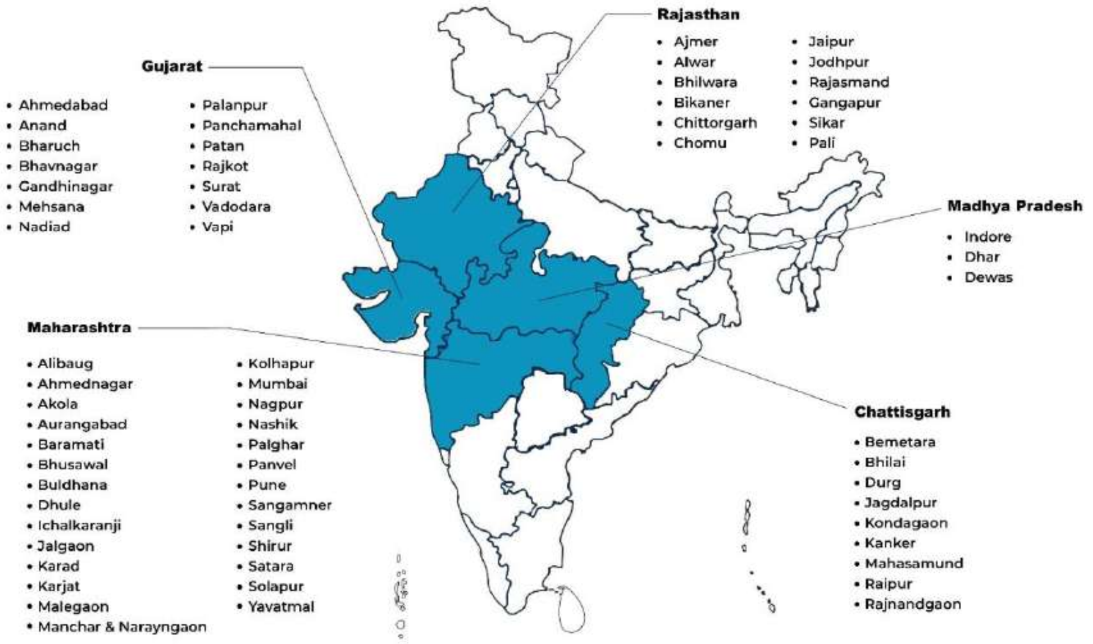
Name of state	Number of Dealers
Maharashtra	415
Gujarat	208
Rajasthan	123
Chhattisgarh	88
Madhya Pradesh	27
Total	**861**

Customer reach

Currently present in 5 states with 65 Locations and over 850 Dealer networks, including more than 60 EV Dealers, supported by digital channels and more than 600 sales personnel and sales representative at respective dealer's premises or the dealer hub. We have an extensive network of 28 Branches as of January 31, 2024, in the states of Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh providing financial solutions to our target customer segment's loan requirements who are largely excluded by the traditional financial institutions.

Name of state	Number of locations
Maharashtra	27
Gujarat	14
Rajasthan	12
Chhattisgarh	9
Madhya Pradesh	3
Total	**65**

For a detailed view of our Locations in the above states is set-out in the map below:



Treasury Operations and Borrowings

Our treasury operations are mainly focused on raising funds for meeting our business requirements and managing short term surpluses through investments. We have historically term loans and cash credit facilities from public sector banks, private sector banks, small finance banks & other financial institutions and PTC and issuance of privately placed listed and unlisted NCDs.

We set out below the details pertaining our borrowing (excluding unamortised processing fees as per IndAS) as of and for six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021:

(₹ in lakhs)

Particulars	As of and for the six months period ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
<u>**Term Loans – Secured (A)**</u>				

Particulars	As of and for the six months period ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
Public Bank	3,534.00	4,104.56	4,993.00	-
Private Bank	5,312.12	4,918.18	2,988.63	7,959.00
Small Finance Bank	5,624.86	5,968.44	5,320.41	8,830.80
NBFCs and Financial Institutions	25,023.15	24,525.51	12,706.33	9,667.66
Sub-total (A)	**39,494.13**	**39,516.69**	**26,008.37**	**26,457.46**
Term Loans – Unsecured (B)				
NBFCs and Financial Institutions	-	-	406.18	2,335.13
Sub-total (B)	**-**	**-**	**406.18**	**2,335.13**
Debt Securities - Secured				
Non-Convertible Debentures	6,395.83	2,666.67	1,499.92	3,833.33
Sub-total (C)	**6,395.83**	**2,666.67**	**1,499.92**	**3,833.33**
Others (D)				
CP	-	-	3,000.00	1,000.00
Working Capital Demand Loan	4,323.76	4,679.85	4,628.91	3,960.79
PTC	15,044.25	12,878.83	3,947.52	2,889.27
Sub-total (D)	**19,368.01**	**17,558.68**	**11,576.43**	**7,850.06**
Total (A+B+C+D)	**65,257.97**	**59,742.04**	**39,490.90**	**40,475.98**

Further, as of December 31, 2023, we borrowed from three (3) public sector banks, ten (10) private sector banks and twenty-five (25) NBFCs.

We are continuously seeking to diversify our sources of funding to facilitate flexibility in meeting our funding requirements. We set-out below our sources of capital for the periods indicated:

Capital Adequacy Ratios

We set out below the details pertaining our Capital Adequacy Ratios as at six months period ended September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
CRAR – Tier I Capital (in %)	26.62	27.02	31.44	27.31

Credit Ratings

The details pertaining to credit ratings given by rating agencies to our borrowing, securitization arrangement and NCDs as on date of DRHP are as follows:

Rating Agency	Instrument	Credit Rating
CARE Rating	Bank borrowings & NCD	BBB+/ Stable
ACUITE Rating & Research	Bank borrowings & NCD	A-/ Stable A/ CE/ Stable
CRISIL Rating	Securitization	A+
India Rating Research	CP*	IND A2

**As on date of this DRHP, there are no outstanding Commercial Papers issued by our Company.*

Risk Management Framework

Credit Risk:

Credit risk is the risk of financial loss to our Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loan receivables from customers. We have segregated functional responsibilities between sourcing/business, credit underwriting/approval, operations, collection and recovery. Accordingly, business functions are responsible for sourcing/sales and revenue. Credit functions are responsible for credit appraisal and approval. Operations related functions are responsible for disbursement after ensuring documentation and compliance/ fulfilment of terms and conditions of sanction. Our Risk Management Committee has laid down a credit policy detailing the policy norms, process and procedures to be adopted for credit appraisal and approval, including exposure limits, subject to RBI guidelines issued from time to time, under which each new customer and existing customer seeking additional funds, is analysed for creditworthiness before the loan is sanctioned. In order to avoid excessive concentration of risks, our Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio across CIBIL and loan sizes. Identified concentrations of credit risks are controlled and managed accordingly.

Liquidity Risk:

Liquidity risk is the risk that our Company may encounter in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company has an asset-liability management approach approved by the Board and has constituted an Asset Liability Committee to oversee the liquidity risk management function of our Company. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation. Our Company is monitoring its liquidity risk by estimating the future inflows and outflows on a regular basis and planning funding requirements accordingly. The composition of our Company's liability mix ensures healthy asset-liability maturity pattern and well diversified resource mix.

Market Risks and Interest Rate Risks:

Market risks is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risks: Interest rate risks is the risk of change in market interest rates which might adversely affect our profitability.

Operational Risk:

Operational risks are risks of a loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is associated with human error or fraud, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational risks may result in unexpected losses or reputation damage. We manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

Risk Management Committees

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board and committees including the Audit Committee, the Risk Management Committee and the Asset Liability Committee. The functions of these committees are set-out below:

- Audit Committee: Our Audit Committee is authorized to establish accounting policies, review changes to accounting policies, and review internal and external audit reports and other related matters. The committee also evaluates internal financial controls and risk management systems and procedures periodically.

- ❖ Risk Management Committee: Our Risk Management Committee was formed to supervise the Board-approved risk management policy, which lays down the overall framework for identifying, assessing, measuring and monitoring various elements of risk involved in the business and to formulate procedures and systems for mitigating such risks.

- ❖ Asset Liability Committee: Our Asset Liability Committee manages our liquidity risk based on our liquidity risk management measures set out in our asset liability management policy. It also reviews and manages our liquidity gaps, structural liquidity and interest rate sensitivity and decides on the appropriate funding mixes.

Information Technology

We have actively invested and deployed various technologies and a customized platform for loan origination, lead management and credit underwriting, allowing our credit officers to judge the creditworthiness of an individual. The platform generates information after considering many factors, such as an individual's internal credit rating, external credit rating, income and banking details and other asset details. With the help of this platform, our credit officers are provided with data for simplifying the decision-making process with an appropriate audit trail.

In addition, we have implemented technology which results in process efficiency, ensures seamless business growth and better customer experiences. We believe our advanced information technology systems, and continued investments thereto, result in better customer experiences due to reduced turnaround time, minimal operational risks due to human errors and provide us with a competitive edge.

CRM: We use the Salesforce CRM for loan origination. We use an IT service management system for sales team ticket management to manage real time market related loan queries for the credit team. This process helps to provide real time resolution for exception case handling and also creating a trail of records related to loan related queries of our sales team to the credit team and creates an audit record in the system.

IT Service Management System: We use an IT service management system, for resolving internal users IT related issues and monitoring the TAT for better productivity and efficiency of the employees of our Company.

Manba Finance Quadrant (MFQ): Manba Finance Quadrant a suite of products which caters to the vertical of Loan Origination System (LOS) and the in-house developed Loan Management Systems (LMS) and the Loan Accounting System (LAS). This suite is a complete end to end solution which caters to the onboarding of customer to the final maturity of the loans. The Loan accounting system is integrated with the line of business process ensuring a single point data entry which posts the related vouchers automatically and ensures a proper maker and checker system. This solution is customized as per the business operations of our Company and has been developed after considering business process, re-engineering ideas by involving stakeholders, IT team and development partners. The suite of products includes various modules including lead monitoring, straight through process ensuring a sub minute approval, disbursement, collection process integrated with payment gateways (like Razorpay, virtual bank payment facility etc.), foreclosure and loan maturity system, cash collection using secure devices, SMS gateways and related systems. The entire process of collection is also managed by using a matrix of dispositions on a maker and checker based model for collection and automatic posting to accounting system (LAS) with the core objective of single point entry.

SMS Gateway: SMS gateway is integrated with our business software systems including LOS and LMS solutions such that when a business transaction is triggered to the customer, sales executive or Dealers on a real time basis. With multiple service provider option, the SMS gateway can be leveraged to work with different service providers.

Ticketing System: Customer ticketing system is a web-based service offered to the customers of our Company to raise any complaints or incidents and receive a ticket number by way of a SMS. The ticket number can be used by the customer to follow up in future till the complaint gets closed. The same is also integrated with the customer's account in the loan management system with an audit trail of creation to closure. On closure the closed ticket SMS is also pushed to the customer. In case the customer wishes to re-open the ticket, he may do the same again till the issue is satisfactorily resolved.

Power BI: Power BI is being currently used for analytics and powering the decision-making process by leveraging the data which is available in the entire ecosystem of Salesforce and MFQ. Intuitive dashboards are designed and used for real time and bulk analytics based on trend analysis by various teams.

Zing HR: We optimize our human resources management with Zing HR, a comprehensive HR software solution. We have streamlined recruitment, onboarding, performance management, and payroll processing using this software solution.

Marketing and Branding

We sell and market our vehicle loan products by reaching out to customers through communication channels like digital marketing, mass media like radio, in-store branding, hoardings, organising and sponsoring celebrity events and religious festivals. We organise specific events, launch offer incentives and schemes for Dealers. We are in the process of establishing relationships with Used Cars Dealers considering the fact that it is a new and growing segment in the vehicle financing space.

We offer tailor made solutions to Dealers for their specific needs and prepare schemes available on a monthly, quarterly or yearly basis considering factors such as volumes, type of vehicles sold and such other factors. We organize dealer conferences and get together events to support our marketing efforts to generate more business.

Human Resources

We recruit after conducting reference checks and our new employees undergo training. We conduct training programs on a periodic basis for our employees on lending operations, underwriting, credit assessment and due diligence, KYC & anti-money laundering norms, collection risk management, information technology, and grievance redressal. We also constantly engage with our employees through programs such as periodic review meetings, conferences, and refresher trainings. We undertake specific training and quality checks of your collection team so as to ensure compliance with RBI guidelines for recovery of overdue loans.

The detailed break-up of our employees as on January 31, 2024 is as under:

Department	Number of employees
Sales & Marketing	630
Collections	420
Operations	85
Credit & Risk	62
Finance & Accounts	55
Human Resources, Administration and Management	32
Customer Relations	18
Data Analyst & IT	9
Legal, Secretarial & Compliance	4
Total	**1,315**

Competition

Our competitors include established commercial banks, NBFCs, small finance banks, local money lenders in urban areas and the private unorganized and informal financiers who principally operate in the local market and micro, small and medium enterprises who are also focused on lending to low and middle income segments. Our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalizing related operational costs.

Indian NBFC sector in India in recent time has emerged as one of the leading forms in institution in providing credit to underserved and unorganized segment population of the country. Over the past few years, there has been a war between banks and non-banks for taking the lions share in the overall credit outstanding in the country. While Banks have been dominating segments such as Housing Finance, MSME Loans; NBFC players have been leading the credit share in segments such as gold finance, Vehicle finance & Micro finance loans. Non-banking player competitive strengths in form of higher rural penetration, customer centric product design etc. has helped them strengthen their share in the overall credit landscape. *(Source: CRISIL Report)*

In this section, CRISIL MI&A has compared the financial and operating performances of Auto Financing NBFCs operating in various segments based on the latest available data for fiscals 2021 and 2022 and 2023. For analysis, we have compared Manba Finance with Arman Financial, Baid Finserv, Berar Finance, Hero Fincorp, MAS Financial, Muthoot Fincorp and TVS Credit on standalone basis. *(Source: CRISIL Report)*

Insurance

Our Company maintains insurance policies that we believe are customary for companies operating in our industry. We have fire and special perils insurance policies, which provides coverage for the equipment used at our offices for our business and operations.

Our other insurance policies include keyman insurance, money insurance and vehicle insurance for some of our vehicles.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company owns three trademarks with logos.

Sr. No.	Particulars of trademark	Category of trademark	Application Number	Registration Number	Class	Status
1.	MANBA FINANCE	Device mark	3523010	1686995	36	Registered
2.	MANBA FINANCE	Device mark	2849366	1364527	36	Registered
3.	Manba	Word mark	1005892	347191	16	Registered

For further details, see "*Government and Other Approvals*" on page 386.

Immovable Properties

Our Company has taken the following immovable properties on leave and license basis:

Address of Premises	Name of Lessor	Term	Relationship with the Licensor / License	Purpose
324, Runwal Heights Commercial Complex, L.B.S Marg, Opp. Nirmal Lifestyle, Mulund (West), Mumbai City, Mumbai 400 080, Maharashtra, India	Prashant P. Thacker (HUF)	For period of 60 months w.e.f. April 1, 2019	-	Registered Office
IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India	Theme Infotech Private Limited	For period of 36 months w.e.f. May 1, 2022	Group Company	Corporate Office

Further, as of January 31, 2024, we had rented 28 Branches throughout India taken on leave and license basis.

KEY REGULATIONS AND POLICIES

Given below is a summary of certain sector specific key laws and regulations in India, which are applicable to the operations of our Company. The information available in this section has been obtained from various legislations, rules and regulations notified thereunder and other regulatory requirements available in the public domain. The description of the regulations disclosed below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

Our Company was issued the certificate of registration issued by RBI on April 7, 1998. The RBI has granted a revised certificate of registration dated January 27, 2022, pursuant to conversion of our Company to a public limited company, to carry on business of non-banking financial institution without accepting public deposits. We are a NBFC-BL providing financial solutions for New 2Ws, 3Ws, EV2Ws, EV3Ws, Used Cars, Small Business Loan and Personal Loans. For further details relating to our business, see "*Our Business*" on page 135.

For details regarding the registrations and approvals obtained by our Company under applicable laws and regulations see, "*Government and Other Approvals*" on page 386.

Key Regulations Applicable to our Company

1. The Reserve Bank of India Act, 1934 as amended (the "RBI Act")

The RBI Act defines a NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A company categorized as a NBFC is required to have a net owned fund of at least ₹25 lakhs or such other amount prescribed by RBI, not exceeding ₹10,000 lakhs. The RBI vide the Master Direction Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 increased the minimum threshold for net owned funds required to be maintained by a NBFC to ₹200 lakhs. The Master Direction Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 has been repealed by the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, however the minimum threshold for net owned funds required to be maintained by a NBFC continues to be ₹200 lakhs. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a NBFC.

Pursuant to section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. 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.

Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (the "Master Directions 2023")

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 – nonoperative 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 – Base Layer, in terms of the guidelines issued by the RBI.

The Master Directions 2023 also provides that all references to NBFC-ND (i.e., non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be. Existing NBFC-ND-SI having asset size of ₹ 50,000 lakhs and above but below ₹1,00,000 lakhs (except that necessarily featuring in Middle Layer) will be known as NBFC-BL (the "**Applicable NBFCs**").

<u>Corporate Governance</u>

Constitution of Committees

All Applicable NBFCs are required to constitute the committees disclosed below:

(i) **Risk Management Committee**: NBFCs shall constitute a risk management committee at the Board or executive level. The risk management committee shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and shall report to the Board.

(ii) **Asset Liability Management Committee:** NBFCs are required to constitute an asset liability management committee. The asset liability management committee is required to be headed by the chief executive officer/ managing director or the executive director of such NBFC, as prescribed under the Master Directions 2023.

Applicable NBFCs are required to have at least one director with relevant experience having worked in a bank/ NBFC. The Applicable NBFCs are also required to have a board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding.

<u>Acquisition or Transfer of Control</u>

Applicable NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the 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.

<u>Prudential Regulation</u>

The leverage ratio of NBFCs shall not be more than seven at any point of time.

<u>Liquidity Risk Management Framework</u>

The Applicable NBFCs having an asset size of ₹10,000 lakhs and above, as per the last audited balance sheet, shall adhere to the set of liquidity risk management guidelines as detailed in the Master Directions 2023. The guidelines, *inter alia*, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, framework for stress testing, liquidity planning under alternative scenarios, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

Asset Classification and Provisioning Requirements

The Applicable NBFCs shall after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease/ hire purchase assets, loans and advances and any other forms of credit into the following classes, namely:

(i) a "standard asset" shall mean 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 or carry more than normal risk attached to the business;

(ii) a "sub-standard asset" shall mean

(a) an asset which has been classified as non-performing asset for a period not exceeding 18 months;

(b) an asset, where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms.

Provided however that the classification of infrastructure loan as a sub-standard asset shall be in accordance with the Master Directions 2023.

(iii) a "doubtful asset" shall mean:

(a) a term loan;

(b) a lease asset;

(c) a hire purchase asset; or

(d) any other asset

which remains a sub-standard asset for a period exceeding 18 months.

(iv) a "loss asset" shall mean:

(a) an asset which has been identified as loss asset by the NBFC or its internal or external auditor or by the Reserve Bank during the inspection of the applicable NBFC, to the extent it is not written off by the applicable NBFC; and

(b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(v) a "non-performing asset (NPA)" mean (a) an asset, in respect of which, interest has remained overdue for a period of more than 180 days; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than 180 days or on which interest amount remained overdue for a period of more than 180 days; (c) a demand or call loan, which remained overdue for a period of more than 180 days from the date of demand or call or on which interest amount remained overdue for a period of more than 180 days; (d) a bill which remains overdue for a period of more than 180 days; (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short-term loans/advances, which facility remained overdue for a period of more than 180 days; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 180 days; (g) the lease rental and hire purchase instalment, which has become overdue for a period of more than 180 days; (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/ beneficiary when any of the above credit facilities becomes non-performing asset.

Provided that in the case of lease and hire purchase transactions, an applicable NBFC shall classify each such account on the basis of its record of recovery.

Provisioning Requirements

In addition to provisioning norms under applicable accounting standards, under the Master Directions 2023, all Applicable NBFCs are required to, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realization of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets as provided hereunder:

<table>
<tr><th>S. No.</th><th colspan="2">Provisioning Requirement</th></tr>
<tr><td rowspan="4">1.</td><td colspan="2">Loans, advances and other credit facilities including bills purchased and discounted</td></tr>
<tr><td>(i) Loss Assets</td><td>The entire asset is to be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding is to be provided for.</td></tr>
<tr><td>(ii) Doubtful Assets</td><td>(a) 100% provision to the extent to which the asset is not covered by the realizable value of the security to which the Applicable NBFC has a valid recourse is to be made. The realizable value is to be estimated on a realistic basis.

(b) In addition to (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e., estimated realizable value of the outstanding) is to be made on the following basis:

<table>
<tr><th>Period for which the asset has been considered as doubtful</th><th>Per cent of provision</th></tr>
<tr><td>Up to one year</td><td>20%</td></tr>
<tr><td>One to three years</td><td>30%</td></tr>
<tr><td>More than three years</td><td>50%</td></tr>
</table></td></tr>
<tr><td>(iii) Sub-standard Assets</td><td>A general provision of 10% of total outstanding is to be made.</td></tr>
<tr><td rowspan="2">2.</td><td colspan="2">Lease and hire purchase assets</td></tr>
<tr><td>Hire purchase Assets</td><td>I. In respect of hire purchase assets, the total dues (overdue and future instalments taken together) as reduced by –

(a) the finance charges not credited to the profit and loss account and carried forward as unmatured finance charges; and
(b) the depreciated value of the underlying asset, is to be provided for.

Explanation: (i) the depreciated value of the asset is to be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of 20% per annum on a straight line method; and
(ii) in the case of second hand asset, the original cost is to be the actual cost incurred for acquisition of such second hand asset.

II. Additional provision for hire purchase and leased assets:

<table>
<tr><td>Where hire charges or lease rentals are overdue upto 12 months</td><td>Nil</td></tr>
<tr><td>Where hire charges or lease rentals are overdue for more than 12 months upto 24 months</td><td>10% of the net book value</td></tr>
<tr><td>Where hire charges or lease rentals are overdue for more than 24 months but upto 36 months</td><td>40% of the net book</td></tr>
<tr><td>Where hire charges or lease rentals are overdue for more than 36 months but upto 48 months</td><td>70% of the net book</td></tr>
</table></td></tr>
</table>

			value
			Where hire charges or lease rentals are overdue for more than 48 months	100% of the net book value
		III.	On expiry of a period of 12 months after the due date of the last instalment of hire purchase/leased asset, the entire net book value is to be fully provided for

Standard Asset Provisioning

The Applicable NBFCs shall make provision for standard assets at 0.25 percent of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Financial Statements Disclosures

(i) Applicable NBFCs are required to separately disclose in their balance sheets the provisions made, as prescribed under the Master Directions 2023, 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 information provided in Annexure VII of the Master Directions 2023.

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, 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 in the website or otherwise published is required to be updated whenever there is a change in the rates of interest.

(iii) The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. 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 Master Directions 2023.

Fair Practice Code

All Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the Master Directions 2023. The Master Directions 2023 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 Master Directions 2023 also prescribe general conditions to be observed by Applicable NBFCs in respect of loans and requires the board of directors of Applicable NBFCs to lay down a grievance redressal mechanism. Such fair practices code should preferably be in vernacular language or language understood by borrowers of the Applicable NBFCs.

Further, all Applicable NBFCs are to frame internal guidelines on corporate governance, enhancing the scope of the guidelines without sacrificing the underlying spirit of the guidelines stipulated in the Master Directions 2023. The guidelines framed are required to be published on the NBFC's website for the information of various stakeholders.

Penal Charges in Loan Accounts

Penalties for non-compliance with material terms and conditions of a loan contract by a borrower shall be treated as 'penal charges' and shall not be levied as a 'penal interest' that is added to the rate of interest charged on advances. No further interest shall be computed on such penal charges. The Master Directions 2023 prohibits regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a Board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable without being discriminatory within a particular loan or product category. In addition to being displayed on the NBFCs' website, the reasons for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and the key fact statement.

Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans

At the time of sanction of EMI based floating rate personal loans, regulated entities (including NBFCs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom is available for elongating the tenor or increasing the EMI. In order to address consumer grievances related to elongation of loan tenor or increases in the EMI amount, the notification requires NBFCs to put in place appropriate policy frameworks to meet the following requirements:

(i) at the time of sanction, clearly communicating to the borrowers about the possible impact of change in interest rate on the loan that can lead to changes in the EMI and/or the tenor;

(ii) at the time of the reset of interest rates, providing the option to the borrowers to switch over to a fixed rate as per their Board approved policy;

(iii) all applicable charges for switching of loan from floating to fixed rate and any other service charges or administrative costs shall be transparently disclosed in the sanction letter;

(iv) ensuring that the elongation of tenor for floating rate loans do not result in negative amortization;

(v) sharing a statement at the end of each quarter that enumerates the principal and interest recovered till date, the EMI amount, the number of EMIs left and the annualized rate of interest/ Annual Percentage Rate for the entire tenor of the loan. The notification requires the instructions enumerated therein to be extended to existing and new loans suitably by December 31, 2023, and for existing borrowers to be sent a communication through appropriate channels, intimating the options available to them.

Declaration of Dividend

The Master Directions 2023 intend to infuse greater transparency and uniformity in practice of distribution of dividends by setting eligibility criteria and disclosure requirements for NBFCs for distribution of dividends. According to the Master Directions 2023, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) prescribed levels of capital adequacy; (ii) prescribed levels of Net NPA; (iii) compliance with provisions of Section 45IC of the RBI Act; and (iv) continuous general compliance with RBI *regulations* and guidelines concerning NBFCs. Master Directions 2023 also prescribes to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the Master Directions 2023.

Instructions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

The Master Directions 2023 specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, a NBFC intending to outsource any of the permitted activities under the Master Directions 2023 is required to formulate an outsourcing policy which is to be approved by its board of directors.

Prevention of Money Laundering Act, 2002 (the "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. Reporting entities under the PMLA includes a banking company, financial institution, intermediary or a person carrying on a designated business or profession. The term 'financial institution' under the PMLA includes non-banking financial company, chit fund company, housing finance institution, payment system operator and any financial institution defined under sub-section (c) of Section 45-I of the RBI Act.

Master Direction (Know Your Customer) Directions, 2016 dated February 25, 2016 as amended from time to time (the "KYC Directions")

The KYC Directions require regulated entities (as defined in such directions) to follow certain customer identification procedures while undertaking a transaction. These directions are applicable to every entity regulated by RBI, including scheduled commercial banks, regional rural banks, local area banks, primary (urban) cooperative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, asset reconstructions companies, payment system providers, system participants and prepaid payment instrument issuers, all authorized persons including money transfer service scheme. Every entity regulated thereunder is required to adopt a 'know your customer' ("**KYC**") policy, duly approved by its board of directors, which shall include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. Regulated entities are required to ensure compliance with the KYC policy through specifying 'senior management' for the purposes of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of compliance with KYC and anti-money laundering policies and procedures, including legal and regulatory requirements; concurrent/internal audit system for compliance to verify compliance with KYC and anti-money laundering; and submission of quarterly audit notes and compliance to the audit committee of the board of directors of the regulated entity.

Additionally, NBFCs' policy framework is required to seek to ensure compliance with the Prevention of Money Laundering Act, 2002, including regulatory instructions and should provide a bulwark against threats arising from money laundering, terrorist financing, proliferation financing and other related risks. NBFCs are required to carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc. The assessment process should consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. While preparing the internal risk assessment, NBFCs shall take cognizance of the overall sector-specific vulnerabilities, that the regulator may shares, The risk assessment by the NBFCs shall be properly documented and be proportionate to the nature, size, geographical presence, complexity of activities/structure, etc. of the NBFC.

Master Direction for Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Monitoring of Frauds Directions")

The Monitoring of Frauds Directions are applicable to all deposit taking NBFCs and non-deposit taking systemically important NBFCs and requires them to put in place a reporting system for recording of frauds. All frauds are required to be reported to the RBI. Fraud reports are required to be submitted to the Central Fraud Monitoring Cell of the RBI in case the amount of fraud ₹ 100 lakhs and above. In cases where the amount of fraud is less than ₹ 100 lakhs, 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. The amounts involved in frauds reported by the entity shall be disclosed in its balance sheet for the year of such reporting. The Monitoring of Frauds Directions also requires submission 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 under the Monitoring of Frauds - Master Directions.

Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024 dated February 27, 2024 ("Supervisory Direction")

The Supervisory Direction introduces filing of supervisory returns and outline guidelines for accurate data reporting, timelines for submission, and penalties for non-compliance. It aims to harmonize reporting practices, ensure data integrity, and establish clear responsibilities for boards and management regarding risk data aggregation and reporting practices, emphasizing documentation, validation, and data quality management. The Supervisory Direction also outline requirements for data architecture and infrastructure, including business continuity planning and resources for ad hoc reporting requests.

Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016 ("Returns Master Direction")

The Returns Master Direction lists detailed instructions in relation to submission of returns prescribed by the RBI for various categories of NBFCs, including their periodicity, reporting time, due date, purpose and the purpose of filing such returns.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Auditor's Report Directions")

The Auditor's Report Directions set out disclosures that are to be included in every auditor's report on the account of a NBFC such as (i) validity of such NBFC's certificate of the 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 (ii) compliance with net owned fund requirements as laid down in the Master Directions.

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

The SBR Framework, which came into effect on October 1, 2022, reflects the RBI's attempt to premise the regulatory framework for NBFCs on the scale, size, leverage, risk, and complexity of its operations. In this respect, the regulations place the NBFCs are into following four brackets and prescribe a customised regulatory framework for each:

(i) **NBFC-BL**: This category is to consist of (a) non-deposit taking NBFCs below the asset size of ₹ 10 billion and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform ("**NBFC-P2P**"), (ii) NBFC- Account Aggregator ("**NBFC-AA**"), (iii) Non-Operative Financial Holding Company ("**NOFHC**"), and (iv) NBFCs not availing public funds and not having any customer interface. NBFC-BLs shall largely continue to be subject to regulations currently applicable to non-deposit taking NBFCs except the net owned fund requirement, NPA classification, experience of the board, ceiling on IPO funding requirement, capital guidelines, prudential guidelines and governance guidelines more particularly set out in the SBR Framework.

NBFC-P2P, NBFC-AA, and NOFHC shall be subject to extant regulations governing them. The SBR Framework also introduces a few changes for better governance of NBFC-BLs viz. requirement for Board policy on loans to directors, senior officers, and relatives; constitution of a Risk Management Committee; and disclosure of types of exposure, related party transactions, loans to Directors/ Senior Officers and customer complaints.

(ii) **NBFC-ML**: This category is to consist of (a) all deposit taking NBFCs, irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 10 billion and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers ("**SPDs**"), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies ("**IDF-NBFCs**"), (iii) Core Investment Companies ("**CICs**"), (iv) Housing Finance Companies ("**HFCs**") and (v) Infrastructure Finance Companies ("**NBFC-IFCs**").

(i) **NBFC-UL**: This category consists 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.

The NBFC-BL shall have at least one director with relevant experience of having worked in a bank/ NBFC. NBFC-BL shall constitute a Risk Management Committee ("**RMC**") either at the Board or executive level. The RMC shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and report the same to the board of directors. NBFC-BL shall have a Board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding.

Master Direction - Information Technology Framework for the NBFC Sector Directions, 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 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, NBFCs are also required to comply with the Information Technology Act, 2000, as amended, and the rules framed thereunder.

Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, dated November 7, 2023 ("IT Governance Directions")

The RBI notified the IT Governance Directions to consolidate and update regulations pertaining to the governance of information technology and the risks, assurance practices, control mechanisms and disaster management associated with IT and cyber security. The IT Governance Directions apply to all NBFCs, including all NBFC-BL, NBFC-ML and NBFC-TL, but excludes NBFC-Core Investment Companies. With the coming into effect of these regulations, the IT Framework Directions will stand repealed, but only to the extent applicable to NBFC-TL, NBFC-ML and NBFC-UL.

The key requirements are as follows:

<u>IT Governance</u>

The IT Governance Directions lays down a framework for information technology ("**IT Governance Framework**") that focuses on strategic alignment, risk management, resource management, performance management and disaster recovery management. NBFCs are obligated to set up an IT Governance Framework that specifies the governance structure adhering to the business objectives of the respective NBFC, that specifies the roles of the board of directors and includes adequate oversight mechanisms to mitigate risks associated with cyber and information security. Under the IT Governance Framework, an IT Strategy Committee ("**ITSC**") must be established that shall, inter alia, ensure that the NBFC has an effective IT strategic planning process and the NBFC's IT governance provides for accountability. The risk management policy, which shall include IT related risks and cyber security related risks, shall be reviewed periodically by the risk management committee of the board, in consultation with the ITSC.

IT Infrastructure and Services Management

The IT Governance Directions also mandates NBFCs to have a framework that supports their information systems and infrastructure to ensure operational resilience. In the event there are third-parties handling the NBFC's information technology or cyber security, the NBFC are required to put in place appropriate vendor risk assessment processes to, inter alia, mitigate risk and to eliminate and address any conflict of interests.

IT Information and Security Risk Management

Under the IT Governance Directions, NBFCs are mandated to set up a framework that, *inter alia*, contains internal control and processes to mitigate and manage risks, identifies critical information systems and provides for the fortification of the same and contains procedures and controls to ensure a secure transmission/ storage/ processing of data and information.

Business Continuity Plan and Disaster Recovery Policy

The IT Governance Directions prescribes a business continuity plan and disaster recovery policy in order to reduce the likelihood and impact of disruptive incident and to ensure the continuity of business. Disaster recovery drills in relation to critical information are required to be done at least on a half-yearly basis and for other information systems, as per the risk assessment of the NBFC.

Information System ("**IS**") Audit

The IT Governance Directions state that the audit committee of the board shall oversee the functioning of the IS Audit. All entities are required to have an IS audit policy that shall describe the mandate, scope and purpose of the audit. The audit committee, under the IT Governance Directions, has to review the critical issues related to IT, information security and cyber security and thereafter, provide guidance to the management regarding the same.

RBI Clarifications – Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances dated November 12, 2021, and February 15, 2022

Specification of due date/repayment date

The exact due dates for repayment of loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements.

Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running processes. Similarly, classification of borrower accounts as SMA as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

NPA classification in case of interest payments

In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

Upgradation of accounts classified as NPAs

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. With regard to upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations, etc., the instructions as specified for such cases shall continue to be applicable.

Notification on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents, dated June 24, 2014, issued by the RBI

By virtue of its notification dated June 24, 2014, the RBI permitted NBFCs-ND to act as business correspondents of banks, with the aim of accelerating financial inclusion. Prior to this notification, NBFCs could not be appointed as business correspondents. The following conditions need to be satisfied in order for the banks to engage NBFCs-ND as business correspondents:

(i) It should be ensured that there is no co-mingling 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, mitigated the impact on the ultimate borrowers and provided a window under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 ("**Prudential Framework**") to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. Moreover, in order to ameliorate the stress being faced by smaller non-bank finance companies (NBFCs) and micro-finance institutions (MFIs) in obtaining access to liquidity, the RBI decided to provide an additional special liquidity facility (ASLF) of ₹50 billion to NABARD for a period of one year at the RBI's policy repo rate for refinancing NBFC-MFIs and other smaller NBFCs of asset size of ₹ 50 000 lakhs and less to support agriculture and allied activities and the rural non-farm sector.

Framework for Compromise Settlements and Technical Write-offs dated June 8, 2023 (the "Settlement Framework")

The RBI has issued the Settlement Framework to promote resolution of stressed assets in the system and to rationalize and harmonize the instructions across of NBFCs. NBFCs are required to put in place Board-approved policies for undertaking compromise settlements with the borrowers as well as for technical write-offs. The policy is required to comprehensively lay down the process to be followed for all compromise settlements and technical write-offs, with specific guidance on the necessary conditions precedent such as minimum ageing, deterioration in collateral value etc. The policies shall also put in place a graded framework for examination of staff accountability in such cases with reasonable thresholds and timelines as may be decided by the Board.

The Reserve Bank – Integrated Ombudsman Scheme, 2021

The RBI, with effect from February 23, 2018, introduced an ombudsman scheme for customers of NBFCs. The Ombudsman Scheme, is an expeditious and cost free apex level mechanism for resolution of complaints of customers of NBFCs registered with RBI under Section 45-IA of the RBI Act, relating to deficiency in certain services rendered by NBFCs. The offices of the NBFC Ombudsmen will function at Chennai, Kolkata, Mumbai and New Delhi and will handle complaints of customers in the respective zones. The Ombudsman Scheme provides for an appellate mechanism under which the complainant / NBFC has the option to appeal against the decision of the ombudsman before the appellate authority.

Further, the RBI through its 'Statement on Development and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme with the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019 under the 'One Nation One Ombudsman' approach for grievance redressal. 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 rolled out on November 12, 2021.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI had issued the guidelines which are applicable to all Commercial Banks (excluding RRBs), Primary (Urban) Cooperative Banks (UCBs), and Non-Banking Finance Companies (NBFCs) (including Housing Finance Companies but excluding non-deposit taking NBFCs with asset size below ₹ 1,00,000 lakhs). Pursuant to these RBI guidelines, there are certain eligibility criteria and procedures to be adhered to 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.

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 NBFC-BL shall have a Board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding. The Board approved policy shall include a threshold beyond which loans to abovementioned persons shall be reported to the Board. Further, NBFCs shall disclose in their Annual Financial Statement, aggregate amount of such sanctioned loans and advances as per the template provided in circular for Loans and Advances – Regulatory Restrictions – NBFCs.

Master Direction – Reserve Bank of India (Securitization of Standard Assets) Directions, 2021 ("Master Directions on Securitization of Standard Assets")

The Master Directions on Securitization of Standard Assets applies to all scheduled commercial banks, excluding regional rural banks, all- India term financial institutions, small finance banks and NBFCs. The Master Directions on Securitization of Standard Assets specifies the 'Minimum Retention Requirement (MRR)' on different asset classes. For underlying loans with original maturity of 24 months or less, the MRR will be 5 per cent of the book value of the loans being securitized. For underlying loans with original maturity of more than 24 months as well as loans with bullet repayments, the MRR shall be 10 per cent of the book value of the loans being securitized. The minimum ticket size for issuance of securitization notes shall be ₹0.01 billion

Master Circular dated April 3, 2023 on Bank Finance to Non- Banking Financial Companies

The circular lays down RBI's regulatory policy regarding financing of NBFCs by banks. The circular specifies, *intern alia*, certain guidelines for bank finance to NBFCs registered with RBI and bank finance to NBFCs not requiring registration. The circular further specifies activities which are not eligible for bank credits and other prohibitions on bank finance to NBFCs.

Emergency Credit Line Guarantee Scheme dated May 23, 2020

The Government of India, through the Ministry of Finance, Department of Financial Services introduced the emergency credit line guarantee scheme ("**ECLGS**"). Pursuant to the ECLGS, the National Credit Guarantee Trustee Company, a wholly owned trustee company of the Government of India , provided a

100% credit guarantee with respect to eligible credit facilities extended by NBFCs in the form of additional term loans.

2. Laws Relating to Taxation

In addition to the aforementioned material legislations which are applicable to a NBFC, some of the tax legislations that may be applicable to the operations of a NBFC and which apply to our Company includes:

(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.

3. Labour Laws

In addition to the aforementioned legislations, other legislation that may be applicable to the operations of a NBFC and which apply to our Company include:

- The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Employees' State Insurance Act, 1948
- Maternity Benefit Act, 1961
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Equal Remuneration Act, 1976
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

*The Code on Wages, 2019 received the asset of the President of India on August 8, 2019 and proposed to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government.

**The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act,1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.

4. Other Regulations

Aadhar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 (the "Aadhar Act"), and the rules and regulations made thereunder, and the rules and regulations thereunder

A NBFC is required to collect the Aadhaar number from an individual, as part of the customer due diligence process provided under the KYC Directions, while establishing an account-based relationship. A NBFC is required to authenticate the Aadhaar number by way of E-KYC or offline verification, The Aadhaar Act provides for the process of enrollment, authentication of Aadhaar number with the Central Identities Data Repository, and protection of information. It 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 ("**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 Information Technology Act, 2000 (the "Information Technology Act") and rules made thereunder

A NBFC is required to collect sensitive personal data such as bank account details, from an individual, as part of the customer due diligence process provided under the KYC Directions, while establishing an account-based relationship. The Information Technology Act provides for legal recognition of transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. It provides for extraterritorial jurisdiction over any offence or contravention under the Information Technology Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India.

In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**SPDI Rules**") in respect of Section 43A of the Information Technology Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the SPDI Rules, sensitive personal data is defined to include personal information relating to passwords, financial information such as bank account or credit card or debit card or other payment instrument details, physical, physiological, and mental health condition, sexual orientation, medical records, biometric information and so on. The SPDI Rules require every such body corporate, or person acting on behalf of a body corporate, to provide a privacy policy for collecting, receiving, possessing, storing, handling, and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The SPDI Rules further require that all such personal data be used solely for the purposes for which it was collected, and any collection or third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The Digital Personal Data Protection Act, 2023 ("Data Protection Act")

A NBFC is required to collect personal data of an individual, as part of the customer due diligence provided under the KYC Directions, while establishing an account-based relationship. The Data Protection Act defines personal data as any data about an individual who is identifiable by or in relation to such data. The Data Protection Act provides for collection and processing of digital personal data by companies. According to the Data Protection Act companies collecting and dealing in high volumes of personal data will be defined as significant data fiduciaries. These significant data fiduciaries will be required to fulfil certain additional obligations under the Data Protection Act including appointment of a data protection officer who will be the point of contact between such fiduciaries and individuals for grievance redressal. Further such data fiduciaries will also be required to appoint a data auditor who will evaluate their compliance with the Data Protection Act. Additionally, the Data Protection Act also introduces the concept of 'deemed consent' under certain circumstances, where a data principal is deemed to have given consent to the processing of his/her data if such processing is necessary. The Data Protection Act received the President's assent on August 11, 2023. Section 1(2) of the Data Protection Act which provides that it shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of the Data Protection Act shall be construed as a reference to the coming into force of that provision.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, Negotiable Instruments Act, 1881, various tax related legislations, intellectual property, shop and establishment related legislations and other applicable statutes, rules, regulations, notifications, circular, policies and guidelines for its day-to-day operations, wherever applicable.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Manba Finance Private Limited', a private limited company under the Companies Act, 1956 at Mumbai, Maharashtra, pursuant to a certificate of incorporation dated May 31, 1996, issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders as on January 31, 2005 and consequently, the name of our Company was changed to 'Manba Finance Limited'. A fresh certificate of change of name, consequent upon conversion to a public limited company was issued by RoC on April 11, 2005. The RBI granted a certificate of registration dated April 7, 1998 to our Company for registration as a NBFC under Section 45-IA of the Reserve Bank of India Act, 1934 ("**RBI Act**"). Subsequently, the RBI granted a revised certificate of registration dated January 27, 2022, to carry on business of non-banking financial institutions without accepting public deposits. Our Company's Corporate Identity Number is U65923MH1996PLC09938.

Change in the Registered Office of our Company

Except as provided below, there have been no changes in the registered office of our Company:

Effective Date	Details of change in the address of the Registered Office	Reason for change
April 17, 2001	The registered office of our Company was changed from 107 Runwal Heights LBS Marg Opposite Nirmal Lifestyle Hoechst Mumbai Maharashtra 400080 to 306, Runwal Heights, Opp. Nirmal Lifestyle, LBS Marg, Mulund (W), Mumbai – 400080.	Operational convenience.
August 19, 2019	The registered office of our Company was changed from 306 Runwal Heights LBS Marg Opposite Nirmal Lifestyle Hoechst Mumbai Maharashtra 400080 to 324, Runwal Heights, Opp. Nirmal Lifestyle, LBS Marg, Mulund (W), Mumbai – 400080.	Operational convenience.

Main objects of our Company

The main object of our Company as contained in our Memorandum of Association is:

1. To finance individuals, firms, companies, and other persons by way of lending & advancing money, as may be required by such individuals, firms, companies, and other persons either with or without security and upon such terms and conditions as the company may think fit.

2. To carry on the business of onward lending, leasing, letting on hire or easy payment systems of New or Pre-owned Vehicle Loans of all kinds including but not limited to Two-wheeler vehicles, Three-wheeler vehicles, Electronic Two-wheeler vehicles, Electronic Three-wheeler vehicles, Top-up loans, and small business loans and personal loans or other forms of credit facilities.

The main object clause and matters which are necessary for the furtherance of the main objects contained in the Memorandum of Association enable our Company to undertake its existing business.

Amendments to our Memorandum of Association

Set out below are the amendments that have been made to our Memorandum of Association, in the ten (10) years preceding the date of this Draft Red Herring Prospectus:

Date of change/ shareholders' resolution	Nature of amendment
March 1, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorized share capital of our Company from ₹7,50,00,000 divided into 74,00,000 Equity Shares of ₹10 each and 1,00,000 Preference Shares of ₹10 each to ₹10,00,00,000 divided into ₹99,00,000 Equity Shares of ₹10 each and 1,00,000

Date of change/ shareholders' resolution	Nature of amendment
	Preference Shares of ₹10 each.
February 25, 2020	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorized share capital of our Company from ₹10,00,00,000 divided into 99,00,000 Equity Shares of ₹10 each and 1,00,000 Preference Shares of ₹10 each to ₹15,00,00,000 divided into 1,49,00,000 Equity Shares of ₹10 each and 1,00,000 Preference Shares of ₹10 each.
September 30, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorized share capital of our Company from ₹15,00,00,000 divided into 1,49,00,000 Equity Shares of ₹10 each and 1,00,000 Preference Shares of ₹10 each to ₹50,00,00,000 divided into 4,99,00,000 Equity Shares of ₹10 each and 1,00,000 Preference Shares of ₹10 each.
January 4, 2024	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorized share capital of our Company from ₹50,00,00,000 divided into 4,99,00,000 Equity Shares of ₹10 each and 1,00,000 Preference Shares of ₹10 each to ₹55,00,00,000 divided into 5,49,00,000 Equity Shares of ₹10 each and 1,00,000 Preference Shares of ₹10 each.
February 9, 2024	The existing object clause of our Company was amended by addition of "*To carry on the business of onward lending, leasing, letting on hire or easy payment systems of New or Pre-owned Vehicle Loans of all kinds including but not limited to Two-wheeler vehicles, Three-wheeler vehicles, Electronic Two-wheeler vehicles, Electronic Three-wheeler vehicles, Top-up loans, and small business loans and personal loans or other forms of credit facilities.*"

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Year	Details
1998	Received certificate of registration from RBI for registration of our Company as a NBFC.
2009	Scaled up our operations in vehicle financing.
2013	AUM of our Company crossed ₹ 5,000 lakhs.
2014	AUM of our Company crossed ₹ 10,000 lakhs.
2018	Expansion of our operations to Pune.
2018	AUM of our Company crossed ₹ 25,000 lakhs.
2018	Expansion of our operations to Nashik and Satara in the state of Maharashtra and to Ahmedabad in the state of Gujarat.
2020	AUM of our Company crossed ₹ 50,000 lakhs.
2021	Listing of first tranche of non-convertible debentures on the BSE.
2021	Opened branch in Jaipur in the state of Rajasthan.
2022	Expansion of our operations to Nagpur, Vidarbha region in the state of Maharashtra and to Raipur in the state of Chhattisgarh.
2023	Employee strength of our Company crossed 1,000 employees.
2023	Entered into a co-lending arrangement with Muthoot Capital Services Limited.
2023	AUM of our Company crossed ₹ 80,000 lakhs as on December 31, 2023.
2023	Expanded the network to more than 850 dealers, including more than 60 EV dealers.
2023	30,000 customers onboarded during the months of September, October and November with ₹ 25,000 lakhs disbursement amount.
2023	Expanded operations to the state of Madhya Pradesh by opening a branch in Indore.
2023	Launched new products such as Small Business Loans, Used Car Loans and Personal Loans.

Key awards, accreditations or recognitions

Our Company has not received any key awards, accreditations and recognitions.

Significant financial or strategic partnerships

Our Company does not have any significant financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Time and cost overruns

Our Company has not experienced any time or cost overruns in respect of our business operations, as at the date of this Draft Red Herring Prospectus.

Launch of key products or services entry in 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*" on page 196.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There are no defaults and there has been no rescheduling or restructuring in relation to borrowings availed by our Company from financial institutions or banks. However, our Company has availed moratorium for some loans in light of RBI circular dated May 23, 2020, during COVID-19 pandemic.

Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last years.

Our Company has not made any material acquisitions or divestments of any business or undertakings, and has not undertaken any mergers, amalgamations or revaluation of assets in the last ten years.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

Subsidiaries of our Company

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

Joint Ventures or Associates of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

Summary of key agreements

Details of shareholders' agreement

Our Company, Promoters and the Shareholders confirm that there are no shareholders' agreements, inter-se agreements or arrangements, governing the rights of the Equity Shareholders of our Company. Further, there are no agreements, deeds of assignment, acquisition agreements, shareholders agreements, or agreements of like nature in connection with the Equity shareholding of our Company.

Other material agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any other subsisting material agreements other than in the ordinary course of business of our Company.

Agreements with our Key Managerial Personnel, Senior Management Personnel, Director, Promoters or any other employee

As on the date of this Draft Red Herring Prospectus there are no agreements entered into by our Key Managerial Personnel or Senior Management Personnel or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Details of guarantees given to third parties by our Promoters offering their Equity Shares in the offer for sale

This is a fresh issue of Equity Shares and our Promoters are not offering their Equity Shares in the Issue.

OUR MANAGEMENT

The terms of the Companies Act, 2013 ("**Companies Act**") and the Articles of Association require that our Board shall comprise of not less than three (3) Directors and not more than fifteen (15) Directors, provided that our Shareholders may appoint more than fifteen (15) Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, we have seven (7) Directors on our Board, including one (1) Managing Director, three (3) Whole Time Directors and three (3) Independent Directors. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

Board of Directors

The following table sets forth the details of our Board as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
Manish Kiritkumar Shah ***Designation***: Managing Director ***Date of birth***: November 8, 1966 ***Address***: 3701/02, B wing Sarvodaya Heights JN Road, Sarvodaya Nagar, Mulund West, Mumbai 400 080, Maharashtra, India. ***Occupation***: Business ***Current term:*** For a period of five (5) years with effect from April 1, 2019 up to March 31, 2024. ***Period of Directorship***: Since May 31, 1996 ***DIN***: 00979854	57	1. Avalon Advisory and Consultant Services Private Limited 2. Jito Mulund Chapter Foundation 3. Manba Fincorp Private Limited 4. Manba Investments and Securities Private Limited 5. Theme Infotech Private Limited
Nikita Manish Shah ***Designation***: Whole Time Director and Head – Business Development ***Date of birth***: November 21, 1968 ***Address***: 3701/02, B wing Sarvodaya Heights Jain Mandir Road, Sarvodaya Nagar, Mulund West - 400080. ***Occupation***: Business ***Current term:*** For a period of three (3) years with effect from January 15, 2024, liable to retire by rotation. ***Period of Directorship***: Since May 31, 1996 ***DIN***: 00171306	55	1. Avalon Advisory and Consultant Services Private Limited 2. Celebrity Projects Private Limited 3. Manba Fincrop Private Limited 4. Manba Investments and Securities Private Limited 5. Ride Choice Limited 6. Theme Infotech Private Limited
Monil Manish Shah	28	1. Ride Choice Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
Designation*: Whole Time Director and Chief Business Officer ***Date of birth: February 7, 1996 ***Address***: B-3701, 37th Floor B-Wing, Sarvodaya Heights, Jain Mandir Road, Sarvodaya Nagar, Mulund West Mumbai 400 080, Maharashtra, India. ***Occupation***: Business ***Current term***: For a period of three (3) years with effect from January 15, 2024, liable to retire by rotation. ***Period of Directorship***: Since February 7, 2017 ***DIN***: 07054772		2. Theme Infotech Private Limited
Jay Khushal Mota ***Designation***: Whole Time Director and Chief Financial Officer ***Date of birth***: September 3, 1979 ***Address***: B-505 Vaishali Tower, B. R. Road Vaishali Nagar, Mulund West, Mumbai 400 080, Maharashtra, India ***Occupation***: Service ***Current term:*** For a period of three (3) years with effect from January 15, 2024, liable to retire by rotation. ***Period of Directorship***: Since February 13, 2023 ***DIN***: 03105256	44	1. Ride Choice Limited 2. Riders Auto Services Private Limited
Anshu Shrivastava ***Designation***: Chairman and Independent Director ***Date of birth***: September 7, 1977 ***Address***: E/704, Grace Vasant Oscar CHS LTD, L.B.S. Marg Mulund (West) Mumbai 400 080, Maharashtra, India. ***Occupation***: Business ***Current term:*** For a period of five (5) years with effect from April 1, 2020 up to March 31, 2025	46	1. Deekshaa Infosystems Private Limited 2. Divi's Finvest Private Limited 3. Efficient Illumination Private Limited 4. GKC Projects Limited 5. Logan Hands Global Private Limited 6. The India Fitness Connect Private Limited 7. Vibgyor Funds Management IFSC Private Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
***Period of Directorship*:** Since March 3, 2015 ***DIN*:** 06594455		
Abhinav Sharma ***Designation*:** Independent Director ***Date of birth*:** October 13, 1980 ***Address*:** H No. 3022 1st Floor Qaziwara S.S.A Road Kucha Neel Kanth, Daryaganj, Central Delhi, Delhi 110002, India. ***Occupation*:** Business ***Current term:*** For a period of five (5) years with effect from September 2, 2019 upto September 2, 2024. ***Period of Directorship*:** Since September 2, 2019 ***DIN*:** 07641980	43	1. Riemann Strategic Research and Consulting Private Limited
Neelam Tater **Designation:** Independent Director **Date of birth:** March 7, 1991 **Address:** 808, Ambesh Textile, Bus Stand Road, Kunwaria, Rajsamand, Koaria, 313 327, Rajasthan, India. **Occupation:** Professional **Current term:** For a period of three (3) years with effect from October 25, 2023 to October 24, 2026 **Period of Directorship:** Since October 25, 2023. **DIN:** 07653773	32	1. Espirit Stones Limited 2. Gaze Fashiontrade Limited 3. Indianivesh Limited 4. Pacific Industries Limited 5. Star Housing Finance Limited

Brief profile of Directors

Manish Kiritkumar Shah is the Managing Director of our Company. He is a director of our Company since incorporation. He holds a bachelor's degree in commerce from Mumbai University. He has over twenty-five (25) years of experience in the NBFC sector. He is a strategic leader in our Company and oversees functions such as identifying growth opportunities, building and maintaining relationships with key stakeholders and implementing technology solutions to streamline operations in our Company.

Nikita Manish Shah is a Whole Time Director and Head - Business Development of our Company. She has been director of our Company since incorporation. She has cleared higher secondary examination in the field of commerce. She oversees functions such as marketing, strategy management and corporate social responsibility activities in our Company.

Monil Manish Shah is a Whole Time Director and Chief Business Officer of our Company. He has been a director in our Company since 2017. He holds a master's degree in marketing from Queen Mary University of London. He is actively involved in the business of our Company and oversees functions such as sales & strategy, marketing and business expansion. He has played a pivotal role in formulating and executing our Company's overall business strategy to drive growth and profitability.

Jay Khushal Mota is a Whole Time Director and Chief Financial Officer of our Company. He has been associated with our Company since 2006. He holds a bachelor's degree in commerce from Mumbai University. He has over eighteen (18) years of experience. He oversees various facets of accounts & finance function in our Company including financial planning and analysis, treasury management, budgeting, financial projections and audit & taxation.

Anshu Shrivastava is the Chairman and Independent Director of our Company since 2015. He is a member of the Institute of Chartered Accountants of India and also holds a bachelor's degree in commerce from Mumbai University. He has over twenty (20) years of experience. He was previously associated with Piramal Group and Pioneer Investcorp Limited.

Abhinav Sharma is an Independent Director of our Company since 2019. He is a chartered financial analyst and also holds a master's degree in business administration from ICFAI University, Dehradun. He has more than 16 years of experience in the financial sector.

Neelam Tater is an Independent Director of our Company. She is a member of the Institute of Chartered Accountants of India. She has professional experience encompassing audit and risk management and business/management advisory services to diverse mix of corporate clients including banking and financial institutions. She is associated with Evolutionary Systems Private Limited.

Relationship between our Directors and Key Managerial Personnel and Senior Management Personnel

Except as mentioned below, none of our other Directors are related to each other or to any of our Key Managerial Personnel or Senior Management Personnel:

Name of the Director	Relationship
Manish Kiritkumar Shah	Father of Monil Manish Shah
	Husband of Nikita Manish Shah
Nikita Manish Shah	Wife of Manish Kiritkumar Shah
	Mother of Monil Manish Shah
Monil Manish Shah	Son of Manish Kiritkumar Shah
	Son of Nikita Manish Shah

Arrangement or understanding with major shareholders, customers, suppliers or others.

None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Directors have not entered into any service contracts with our Company which provide for benefits upon the termination of their employment.

Payment or benefit to Directors of our Company

In Fiscal Year 2023, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors other than remuneration paid to them for such period.

Terms of appointment of our Directors

Manish Kiritkumar Shah, Managing Director

Manish Kiritkumar Shah has been a director of our Company since its incorporation. He was re-appointed as Managing Director pursuant to a Board resolution dated September 24, 2019, till March 31, 2024. Further, pursuant to a shareholders resolution dated January 4, 2024 and an employment agreement dated January 15, 2024, Manish Kiritkumar Shah is entitled to the following remuneration and other employee benefits:

Sr. No.	Category	Remuneration
1.	Salary for the Fiscal Year 2025	₹ 300 lakhs per annum plus annual increments subject to maximum capping of 5.50% of profit after tax.
2.	Allowances and reimbursements	(a) Provision of rent-free furnished accommodation and payment of electricity and water charges; (b) Provision to use Company's car and payment of all expenses for maintenance and running of the car including the salary of driver; (c) Reimbursement of medical and hospitalization expenses of the Managing Director and his family; (d) Provision of leave travel allowance for the Managing Director and his family once in a year in accordance with the Company policy; (e) Provision of bonus, at the discretion of the Board; (f) Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy; (g) Reimbursement of other expenses properly incurred by him in accordance with the rules and policies of the Company; (h) Entitlement to increment from time to time basis the Board's discretion.
3.	Statutory Payments	As per applicable law, including contributions to provident fund and gratuity payments.

Monil Manish Shah, Whole Time Director and Chief Business Officer

Monil Manish Shah has been a director of our Company since February 7, 2017. He was further redesignated as the Whole Time Director of our Company, effective from January 15, 2024, pursuant to the Board resolution dated December 28, 2023. Further, pursuant to a shareholders resolution dated January 4, 2024, and an employment agreement dated January 15, 2024, Monil Manish Shah is entitled to the following remuneration and other employee benefits:

Sr. No.	Category	Remuneration
1.	Salary for the Fiscal Year 2025	₹ 275 lakhs per annum plus annual increments subject to maximum capping of 4.75% of profit after tax.
2.	Allowances and reimbursements	(a) Provision of rent-free furnished accommodation and payment of electricity and water charges; (b) Provision to use Company's car and payment of all expenses for maintenance and running of the car including the salary of driver; (c) Reimbursement of medical and hospitalization expenses of the Whole Time Director and his family; (d) Provision of leave travel allowance for the Whole Time Director and his family once in a year in accordance with the Company policy;

Sr. No.	Category	Remuneration
		(e) Provision of bonus, at the discretion of the Board; (f) Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy; (g) Reimbursement of other expenses properly incurred by him in accordance with the rules and policies of the Company; (h) Entitlement to increment from time to time basis the Board's discretion.
3.	Statutory Payments	As per applicable law, including contributions to provident fund and gratuity payments.

Nikita Manish Shah, Whole Time Director

Nikita Manish Shah has been a director of our Company since its incorporation. She was further redesignated as the Whole Time Director of our Company effective from January 15, 2024, pursuant to the Board resolution dated December 28, 2023. Further, pursuant to shareholders resolution dated January 4, 2024, and an employment agreement dated January 15, 2024, Nikita Manish Shah is entitled to the following remunerations and other employee benefits:

Sr. No.	Category	Remuneration
1.	Salary for the Fiscal Year 2025	₹ 125 lakhs per annum plus annual increments subject to maximum capping of 2.75% of profit after tax.
2.	Allowances and reimbursements	(i) Provision of rent-free furnished accommodation and payment of electricity and water charges; (ii) Provision to use Company's car and payment of all expenses for maintenance and running of the car including the salary of driver; (iii) Reimbursement of medical and hospitalization expenses of the Whole Time Director and his family; (iv) Provision of leave travel allowance for the Whole Time Director and her family once in a year in accordance with the Company policy; (v) Provision of bonus, at the discretion of the Board; (vi) Reimbursement of expenses incurred by her on account of business of the Company in accordance with the Company policy; (vii) Reimbursement of other expenses properly incurred by her in accordance with the rules and policies of the Company; (viii) Entitlement to increment from time to time basis the Board's discretion.
3.	Statutory Payments	As per applicable law, including contributions to provident fund and gratuity payments.

Jay Khushal Mota, Whole Time Director and Chief Financial Officer

Jay Khushal Mota has been a Director of our Company since February 13, 2023. He was further redesignated as the Whole Time Director of our Company effective from January 15, 2024, pursuant to the Board resolution dated December 28, 2023. Further, pursuant to a shareholders resolution dated January 4, 2024, and an employment agreement dated January 15, 2024, Jay Khushal Mota is entitled to the following remunerations and other employee benefits:

Sr. No.	Category	Remuneration
1.	Salary for the Fiscal Year 2025	₹ 55 lakhs per annum plus annual increments subject to maximum capping of 1.50% of profit after tax.
2.	Allowances and reimbursements	(a) Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy; (b) Entitlement to increment from time to time basis the Board's discretion.
3.	Statutory Payments	As per applicable law, including contributions to provident fund and gratuity payments.

Independent Directors

Our Independent Directors will be entitled to receive sitting fees for attending meetings of the board and committee meetings pursuant to a shareholders resolution dated January 4, 2024, as follows:

(in ₹lakhs)

Sr. No.	Name of Director	Amount
1.	Anshu Shrivastava	₹ 0.05 lakhs per board or committee meeting subject to a maximum limit of ₹ 1 lakh per year.
2.	Abhinav Sharma	₹ 0.05 lakhs per board or committee meeting subject to a maximum limit of ₹ 1 lakh per year.
3.	Neelam Tater	₹ 0.05 lakhs per board or committee meeting subject to a maximum limit of ₹ 1 lakh per year.

Further, our Independent Directors may be paid reimbursement of expenses as permitted under the Companies Act and the SEBI LODR Regulations.

Remuneration paid to Directors by our Company

(a) Managing Director and Whole Time Directors

The following table sets forth the details of the remuneration paid by our Company to our Managing Director and Whole Time Directors for the Fiscal Year 2023:

(in ₹lakhs)

Sr. No.	Name of the Director	Remuneration
1.	Manish Kiritkumar Shah	200.00
2.	Nikita Manish Shah	75.00
3.	Monil Manish Shah	78.00
4.	Jay Kushal Mota*	5.16

**Our Company has paid ₹* 35.78 *lakhs in the form of salary in the capacity of employee of our Company*.

(b) Independent Directors

Our Company has not paid any fees to our Independent Directors in the Fiscal Year 2023.

Remuneration paid or payable to our Directors from our Subsidiaries or associate companies

As on date of this Draft Red Herring Prospectus, we do not have any subsidiary or associate company and therefore no remuneration has been paid to our Directors from Subsidiaries or associate companies.

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our Directors

Our Company has no bonus or profit-sharing plan in which the Directors participate.

Shareholding of our directors and Key Managerial Personnel in our Company

The Articles of Association of our Company do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus**:**

Name of the Director	Number of Equity Shares held	Percentage of the pre-Issue paid up share capital (%)	Percentage of the post-Issue paid up share capital (%)
Manish Kiritkumar Shah	65,59,848	17.41	[●]
Nikita Manish Shah	50,04,270	13.29	[●]
Monil Manish Shah	17,94,549	4.76	[●]

Borrowing Powers

In accordance with our Articles of Association and subject to the provisions of the Companies Act, and pursuant to a resolution of the Board of our Company passed in their meeting held on December 28, 2023, in accordance with Section 180 of the Companies Act, our Board is authorised to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with the amount already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital and free reserves of our Company provided that the total amount borrowed by our Board and outstanding at any point of time shall not exceed ₹ 2,50,000 lakhs.

Interest of Directors

Our Directors may be regarded to be interested to the extent of remuneration, fees, if any, payable to them for attending meetings of our board of directors or a committee thereof of our Company as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them by to our Company.

The Whole Time Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

There is no material existing or anticipated transaction whereby Directors will receive any proceeds from the Issue.

Interest of Directors in the promotion and formation of our Company

As on the date of this Draft Red Herring Prospectus, except for Manish Kiritkumar Shah, Monil Manish Shah and Nikita Manish Shah, who are the individual Promoters of our Company, none of our other Directors, Key Managerial Personnel and Senior Management Personnel are interested in the promotion and formation of our Company.

Interest in property

Our Directors do not have any interest in any property acquired or proposed to be acquired by or of our Company except as mentioned below:

Our Corporate Office located at IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India has been taken on leave and license basis alongwith furniture & fixtures from one of our Group Companies, Theme Infotech Private Limited for period of thirty-six (36) months with effect from May 1, 2022 at an aggregate rent of ₹ 20 lakhs per month and our Managing Director, Manish Kiritkumar Shah and Whole Time Directors, Nikita Manish Shah and Monil Manish Shah are indirectly interested in this arrangement by virtue of their directorship and shareholding in our Group Company, Theme Infotech Private Limited.

Our branch office located at Office No. 623 & 624, Iscon Emporio, Village Jodhpur, Paldi, Ahmedabad, Gujarat, India has been taken on leave and license basis from one of our Promoters, Manish Kiritkumar Shah (HUF) with effect from June 1, 2023 to May 29, 2024 at a rent of ₹1 lakh per month. Our Managing Director, Manish Kiritkumar Shah and Whole Time Directors, Nikita Manish Shah and Monil Manish Shah are indirectly interested in this arrangement by virtue of their membership in the Manish Kiritkumar Shah (HUF).

Our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business interest

Except as stated in "*Restated Financial Statements – Note 39 – Related Party Transactions*" on page 287 and as disclosed in this section, our Directors do not have any other interest in our business.

Confirmations

Our Directors are not, and have not, during the five (5) years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on any stock exchange(s) during their term of directorship in such company.

None of our Directors have been or are directors on our board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

None of our Directors have been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

None of our Directors have been identified as Wilful Defaulters or a Fraudulent Borrower, as defined under the RBI guidelines/master circulars on Wilful Defaulters and Fraudulent Borrowers.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our Directors in the last three (3) years:

Name of Director	Date of Change	Reasons
Neelam Tater	October 25, 2023	Appointed as an independent director*
Jay Khushal Mota	February 13, 2023	Appointed as an executive director#
Anshu Shrivastava	January 17, 2024	Appointed as the Chairman
Kirit Ratanshi Shah	January 17, 2024	Resignation as director
Monil Manish Shah	January 15, 2024	Redesignated as Whole Time Director
Nikita Manish Shah	January 15, 2024	Redesignated as Whole Time Director
Jay Khushal Mota	January 15, 2024	Redesignated as Whole Time Director

* Regularized as an Independent Director on December 28, 2023
# Regularized as executive Director on September 30, 2023

Corporate Governance

The provisions of the Companies Act along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act including those pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Draft Red Herring Prospectus, our Company currently has seven (7) Directors, including one (1) Managing Director, three (3) Whole Time Directors and three (3) Independent Directors.

Committees of our Board

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. In terms of the SEBI Listing Regulations and the provisions of the Companies Act, our Company has constituted the following below mentioned Board committees. In addition to these, our Board may from time to time, constitute committees for various functions.

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee; and
(d) Corporate Social Responsibility Committee.

(a) Audit Committee

The Audit Committee was re-constituted by a resolution of our Board dated December 29, 2023. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Anshu Shrivastava	Chairman	Chairman and Independent Director
Abhinav Sharma	Member	Independent Director
Manish Kiritkumar Shah	Member	Managing Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The scope and function of the Audit Committee, adopted pursuant to a resolution of our Board dated December 29, 2023, is in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee;
3. to obtain outside legal or other professional advice;
4. to secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of statutory auditors of the Company and the fixation of the audit fee.
2. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
b. Changes, if any, in accounting policies and practices and reasons for the same;
c. Major accounting entries involving estimates based on the exercise of judgment by management;
d. Significant adjustments made in the financial statements arising out of audit findings;
e. Compliance with listing and other legal requirements relating to financial statements;
f. Disclosure of any related party transactions;
g. Qualifications in the draft audit report; and
h. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

5. Reviewing, with the management, the quarterly and half yearly financial statements before submission to the board for approval;
6. 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;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
21. 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 existing;
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
24. Carrying out any other function as may be required / mandated as per the provisions of the Companies Act, the SEBI Listing Regulations and/or any other applicable laws;
25. The Audit Committee shall mandatorily review the following information:

    a. Management discussion and analysis of financial information and results of operations;
    b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    d. Internal audit reports relating to internal control weaknesses; and
    e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was re-constituted dated December 29, 2023. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Neelam Tater	Chairperson	Independent Director
Abhinav Sharma	Member	Independent Director
Anshu Shrivastava	Member	Chairman and Independent Director

The scope and function of the Nomination and Remuneration Committee, adopted pursuant to a resolution of our Board dated December 29, 2023, is in accordance with Section 178 of the Companies Act, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

1. 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.
2. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
   (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;

3. Formulation of criteria for evaluation of independent directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Deciding 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;
8. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
9. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
10. Determining the Company's policy on specific remuneration packages for Whole Time Directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
11. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;
13. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

   (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
   (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and

14. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, to the extent notified and effective, as amended or by the SEBI Listing Regulations, as amended or by any other applicable law or regulatory authority. The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated December 29, 2023. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Abhinav Sharma	Chairman	Independent Director
Manish Kiritkumar Shah	Member	Managing Director
Monil Manish Shah	Member	Whole Time Director

The scope and function of the Stakeholders' Relationship Committee, adopted pursuant to a resolution of our Board dated December 29, 2023, is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures, or any other securities;
3. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
4. Review of measures taken for effective exercise of voting rights by shareholders;
5. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
6. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
7. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority. The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated December 29, 2023. The current constitution of the Corporate Social Responsibility committee is as follows:

Name of Director	Position in the Committee	Designation
Anshu Shrivastava	Chairman	Chairman and Independent Director
Abhinav Sharma	Member	Independent Director
Manish Kiritkumar Shah	Member	Managing Director
Nikita Manish Shah	Member	Whole Time Director

The scope and function of the Corporate Social Responsibility Committee, adopted pursuant to a resolution of our Board dated December 29, 2023, is in accordance with Section 135 of the Companies Act. Its terms of reference are as follows:

1. Formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
2. Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
3. Review and recommend the amount of expenditure to be incurred on the activities referred to in clause

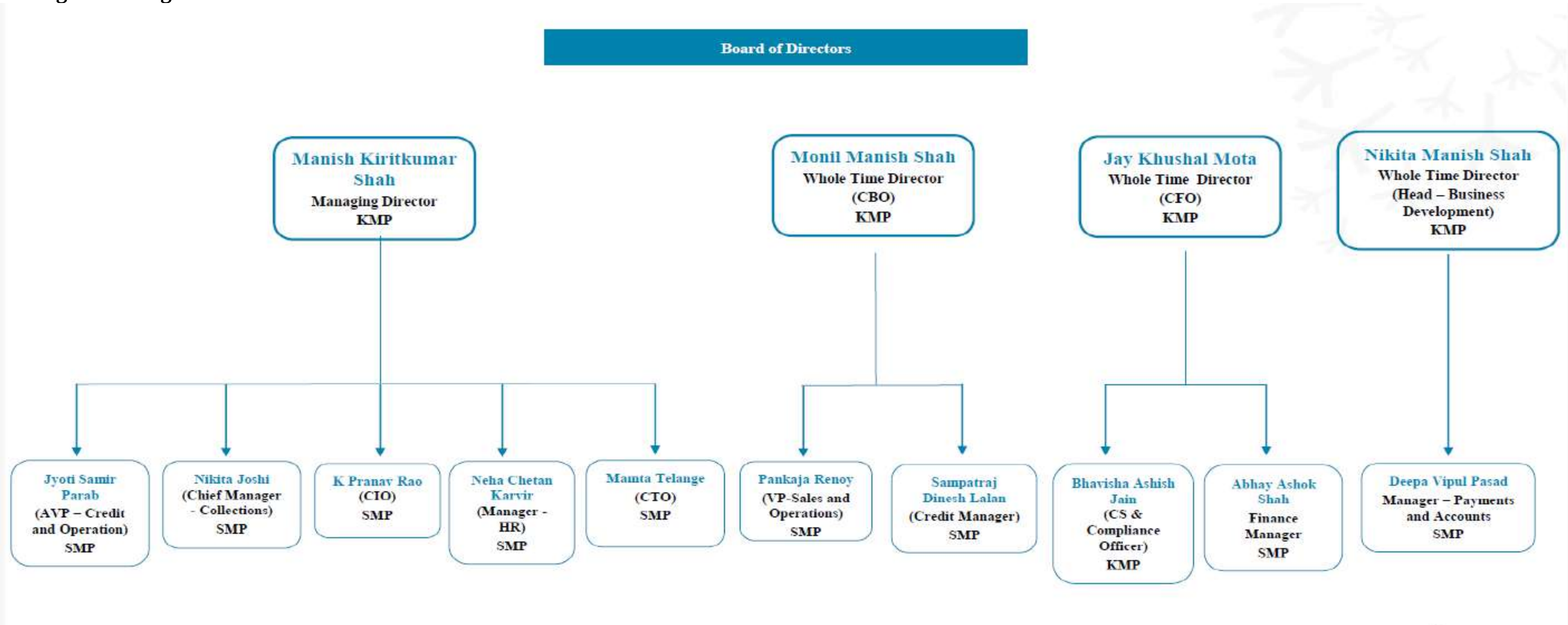
(a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

4. Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5. Review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
6. Assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal Year, such percentage of average net profit/ amount as may be prescribed in the Companies Act, and/ or rules made thereunder;
7. Providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;
8. Providing updates to our Board at regular intervals of six months on the corporate social responsibility activities;
9. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time, and
10. Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Other committees of our Company

In addition to the committees mentioned above, our Company has constituted various other committees, such as asset liability committee, IT strategy committee, risk management committee and grievance redressal committee in compliance with the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Management Organisation Chart



Key Management Personnel

The details of our Key Managerial Personnel, in addition to our Managing Director, Manish Kiritkumar Shah, our Whole Time Directors, Monil Manish Shah, Nikita Manish Shah and Jay Khushal Mota whose details are provided in "*Brief profiles of Directors*" on page 240 are as follows:

Bhavisha Ashish Jain is the Company Secretary and the Compliance Officer of our Company. She has been associated with our Company since October 8, 2018. She is a member of Institute of Company Secretary of India. and holds bachelor's degree in law from Mumbai University. She has also worked with In-Solutions Global Private Limited. She is managing our Company's compliance and legal functions. She received a gross compensation of ₹ 4.31 lakhs from our Company for the Fiscal Year 2023.

Senior Management Personnel

The details of our Senior Management Personnel are as follows**:**

Pankaja Renoy is the Vice President - Sales and Operation in our Company. She has been associated with our Company since February 1999. She holds a bachelor's degree in commerce from the Mumbai University. She has around twenty-five (25) years of experience in sales. She oversees functions such as sales, operations, collections and post - disbursal in our Company. She received a gross compensation of ₹ 28.11 lakhs from our Company for Fiscal Year 2023.

Jyoti Samir Parab is the Assistant Vice-President – Credit and Operations in our Company. She has been associated with our Company since September 2006. She holds bachelor's degree and a master's degree in commerce from Mumbai University. She oversees functions such as credit and disbursement and top-up loans in our Company. She received a gross compensation of ₹ 13.02 lakhs from our Company for Fiscal Year 2023.

Nikita Joshi is the Chief Manager - Collections in our Company. She has been associated with our Company since September 2010. She holds a bachelor's degree in commerce from Mumbai University. She oversees functions such as collections and customer support in our Company. She received a gross compensation of ₹ 12.98 lakhs from our Company for Fiscal Year 2023.

Sampatraj Dinesh Lalan is the Senior Credit Manager of our Company. He has been associated with our Company since September 2016. He is a chartered account. He oversees functions such as risk assessment and mitigation and credit operations in our Company. He received a gross compensation of ₹ 9.51 lakhs from our Company for Fiscal Year 2023.

K Pranav Rao is the as Chief Information Officer of our Company. He has been associated with our Company since December 2023. He has a bachelor's degree in science from Mumbai University and a master's degree in technology (software engineering) from Birla Institute of Technology and Science, Pilani. He has also worked with Wipro Limited and Home First Finance Company India Limited. He oversees functions such as planning, deploying and maintaining IT systems and operation in our Company. As he was appointed during Fiscal Year 2024, no remuneration was paid or payable to him in Fiscal Year 2023.

Neha Chetan Karvir is the Manager - HR of our Company. She has been associated with our Company since May 2021. She has a bachelor's degree in commerce from Mumbai University and a master's degree in management studies from Mumbai University. She has previously worked with Blue Star Diamonds Private Limited. She oversees functions such as talent acquisition and office administration in our Company. She received a gross compensation of ₹ 7.58 lakhs from our Company for the Fiscal Year 2023.

Deepa Vipul Pasad is the Manager - Payments and Accounts in our Company. She has been associated with our Company since December 2020. She is a chartered accountant. She oversees functions such as accounts and payments in our Company. She received a gross compensation of ₹ 8.49 lakhs from our Company for the Fiscal Year 2023.

Abhay Ashok Shah is the Manager - Finance in our Company. He has been associated with our Company since February 2022. He has a master's degree in business administration from Narsee Monjee Institute of Management Studies Deemed University. He previously worked with Global Power Source (India) Private Limited. He oversees functions such as financial planning and treasury in our Company. He received a gross compensation of ₹ 6.99

lakhs from our Company for Fiscal Year 2023.

Mamta Shantaram Telange is the Chief Technology Officer of our Company. She has been associated with our Company since November 2019. She has received certification for apprenticeship training in mechanic embedded systems and PLC from Directorate of Vocational Education and Training, Mumbai. She oversees functions such as technology strategy and planning and technology infrastructure planning in our Company. She received a gross compensation of ₹ 2.99 lakhs from our Company for Fiscal Year 2023.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Relationship among Key Management Personnel Senior Management Personnel and Directors

Except as disclosed in *"Relationship between our Directors and Key Managerial Personnel and Senior Management Personnel"* on page 243, none of our other Key Management Personnel, Senior Management Personnel and Directors are related to each other.

Arrangements and understanding with major shareholders, customers and suppliers

None of our Key Managerial Personnel and Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Management Personnel and Senior Management Personnel

Other than the shareholding of our Managing Director, Manish Kiritkumar Shah and Whole Time Directors, Nikita Manish Shah and Monil Manish Shah in our Company, as specified in "*Shareholding of our directors and Key Managerial Personnel in our Company"* on page 247 and as disclosed in section "*Capital Structure*" on page 84, none of our other Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

Service contracts with Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel have not entered into any service contracts with our Company.

Retirement and termination benefits

Except statutory benefits upon termination of their employment in our Company or superannuation, none of our Key Managerial Personnel and Senior Management Personnel is entitled to any benefit upon termination of employment or superannuation.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and Senior Management Personnel for Fiscal Year 2023, which does not form part of their remuneration for such period.

Attrition rate of Key Managerial Personnel and Senior Management Personnel

The attrition rate of our Key Managerial Personnel and Senior Management Personnel is not high compared to the industry in which our Company operates.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

Our Company has no bonus or profit-sharing plan in which the Key Managerial Personnel and Senior Management Personnel participate.

Interest of our Key Management Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel are interested in our Company only 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 their service. The Whole Time Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

Changes in the Key Management Personnel and Senior Management Personnel in last three years

Except as mentioned below, and as specified in "*Our Management - Changes to our Board in the last three years*" on page 248, and as mentioned below, there have been no changes in the Key Managerial Personnel and Senior Management Personnel in the last three (3) years:

Name	Date of change	Reason
Naina Santosh Shetty	December 1, 2023	Resigned as Chief Information Officer
K Pranav Rao	December 1, 2023	Appointed as Chief Information Officer
Abhay Ashok Shah	February 15, 2022	Appointed as Manager - Finance
Jimmit Dand	January 22, 2022	Resigned as Manager - Finance
Deepa Vipul Pasad	November 1, 2021	Change in designation to Manager – Accounts and Payments
Neha Chetan Karvir	May 31, 2021	Appointed as Manager - Human Resources
Preety Anand	May 11, 2021	Resigned as Manager – Human Resources
Sampatraj Dinesh Lalan	April 1, 2021	Change in designation to Senior Credit Manager

Employee Stock Option Plan

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.

Payment or benefits to the Key Management Personnel and Senior Management Personnel (non-salary related)

No non-salary related amount or benefit has been paid or given within the two (2) years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

As on the date of this Draft Red Herring Prospectus, the Promoters of our Company are Manish Kiritkumar Shah, Nikita Manish Shah, Monil Manish Shah, Manba Investments and Securities Private Limited, Avalon Advisory and Consultant Services Private Limited, Manba Fincorp Private Limited, Manba Infotech LLP and Manish Kiritkumar Shah (HUF).

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 3,76,64,010 Equity Shares in our Company, representing 99.99% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

For further details, please see "*Capital Structure – Details of Shareholding of our Promoters and members of the Promoter Group in the Company – Build-up of the Promoters' shareholding in our Company*" on page 89.

A. Details of our Individual Promoters are as follows:

Manish Kiritkumar Shah

Manish Kiritkumar Shah, aged 57 years, is one of our Promoters and is also the Managing Director. For the complete profile of Manish Kiritkumar Shah, i.e., his date of birth, residential address, educational qualifications, professional experience, business, and other activities positions / posts held in the past and other directorships, see "*Our Management*" on page 240.

His permanent account number is AACPS0701J.

Nikita Manish Shah

Nikita Manish Shah, aged 55 years, is one of our Promoters and Whole Time Director and Head – Business Development. For the complete profile of Nikita Manish Shah, i.e., her date of birth, residential address, educational qualifications, professional experience, business, and other activities positions / posts held in the past and other directorships, see "*Our Management*" on page 240.

Her permanent account number is ANIPS9300A.

Monil Manish Shah

Monil Manish Shah, aged 28 years, is one of our Promoters and is also the Whole Time Director and Chief Business Officer. For the complete profile of Monil Manish Shah, i.e., his date of birth, residential address, educational qualifications, professional experience, business, and other activities positions / posts held in the past and other directorships, see "*Our Management*" on page 240.

His permanent account number is BRBPS2756N.

Our Company confirms that the permanent account number, bank account numbers, passport number, aadhaar card number and driving license number of our Individual Promoters shall be submitted to Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

B. Details of our Corporate Promoters are as follows:

1. Manba Investments and Securities Private Limited ("MISPL")

Corporate Information

MISPL was incorporated as a private company on March 13, 2001, limited by shares, under the Companies Act, 1956, and a certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai. The registered office of MISPL is situated at 323, 3rd Floor, Runwal Heights, LBS Marg, Mulund (West), Mumbai 400 080, Maharashtra, India. The CIN of MISPL is U67120MH2001PTC131193. The permanent account number of MISPL is AACCM4718N.

MISPL is authorised to carry on the business of investment in shares, stocks, debentures, securities and other allied activities. There has been no change in activities since the incorporation of MISPL. Presently, MISPL is not engaged in any business activities.

The promoters of MISPL are Manish Kiritkumar Shah and Nikita Manish Shah. As on the date of this Draft Red Herring Prospectus, MISPL holds 1,39,06,038 Equity Shares, representing 36.92% of the pre-Issue issued, subscribed, and paid-up equity share capital of our Company.

Board of Directors

As on date of this Draft Red Herring Prospectus, the board of directors of MISPL comprises of:

Sr. No.	Name of Director	Designation
1.	Manish Kiritkumar Shah	Director
2.	Nikita Manish Shah	Director

Change in control

There has been no change in the control of MISPL in the three (3) years immediately preceding the filing of this Draft Red Herring Prospectus.

Shareholding pattern

The shareholding pattern of MISPL as on the date of this Draft Red Herring Prospectus is as follows:

Equity Shares

Sr. No.	Name of Shareholder	Number of equity shares held	Percentage of issued and paid-up equity share capital (%)
1.	Manish Kiritkumar Shah	1,58,100	51.00%
2.	Nikita Manish Shah	1,51,590	48.90%
3.	Manish Kirit Shah (HUF)	310	0.10%
	Total	**3,10,000**	**100.00%**

2. Avalon Advisory and Consultant Services Private Limited

Corporate Information

Avalon Advisory and Consultant Services Private Limited was originally incorporated as 'Manba Broking Services Private Limited' as a private company on March 16, 2006, limited by shares, under the Companies Act, 1956, and a certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai. Thereafter, its name was changed from 'Manba Broking Services Private Limited' to 'Avalon Advisory and Consultant Services Private Limited' and a fresh certificate of change of name was issued by Registrar of Companies, Maharashtra at Mumbai on August 26, 2021. The registered office of Avalon Advisory and Consultant Services Private Limited is situated at 324, Runwal Heights, Opp. Nirmal Lifestyles, Mulund West, Mumbai 400 080, Maharashtra, India. The CIN of Avalon Advisory and Consultant Services Private Limited is U93000MH2006PTC160525. The permanent account number of Avalon Advisory and Consultant Services

Private Limited is AAECM5981D.

Avalon Advisory and Consultant Services Private Limited is authorised to carry on the business of consulting and advisory services in the field of management services, business development, finance, labour, taxation and other allied services. There has been no change in activities since the incorporation of Avalon Advisory and Consultant Services Private Limited. Presently, Avalon Advisory and Consultant Services Private Limited is not engaged in any business activity.

The promoters of Avalon Advisory and Consultant Services Private Limited are Manish Kiritkumar Shah and Nikita Manish Shah. As on the date of this Draft Red Herring Prospectus, Avalon Advisory and Consultant Services Private Limited holds 24,95,700 Equity Shares, representing 6.63% of the pre-Issue issued, subscribed, and paid-up equity share capital of our Company.

Board of Directors

As on date of this Draft Red Herring Prospectus, the board of directors of Avalon Advisory and Consultant Services Private Limited comprises of:

Sr. No.	Name of Director	Designation
1.	Manish Kiritkumar Shah	Director
2.	Nikita Manish Shah	Director

Change in control

There has been no change in the control of Avalon Advisory and Consultant Services Private Limited in the three (3) years immediately preceding the filing of this Draft Red Herring Prospectus.

Shareholding pattern

The shareholding pattern of Avalon Advisory and Consultant Services Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	Number of equity shares held	Percentage of issued and paid-up share capital (%)
1.	Manish Kiritkumar Shah	500	50.00%
2.	Nikita Manish Shah	500	50.00%
	Total	**1,000**	**100.00%**

3. Manba Fincorp Private Limited

Corporate Information

Manba Fincorp Private Limited was incorporated as a private company on October 27, 2011, limited by shares, under the Companies Act, 1956, and a certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai. The registered office of Manba Fincorp Private Limited is situated at 308, Runwal Heights, Opp. Nirmal Lifestyles, LBS Marg, Mulund West, Mumbai 400 080, Maharashtra, India. The CIN of Manba Fincorp Private Limited is U65923MH2011PTC223479. The permanent account number of Manba Fincorp Private Limited is AAHCM5228Q.

Manba Fincorp Private Limited is authorised to carry on the business of finance and investments. There has been no change in the activities of Manba Fincorp Private Limited since its incorporation. Presently, Manba Fincorp Private Limited is engaged in the business of investment.

The promoters of Manba Fincorp Private Limited are Manish Kiritkumar Shah and Nikita Manish Shah. As on the date of this Draft Red Herring Prospectus, Manba Fincorp Private Limited holds 20,87,706 Equity Shares, representing 5.54% of the pre-Issue issued, subscribed, and paid-up equity share capital of our Company.

Board of Directors

As on date of this Draft Red Herring Prospectus, the board of directors of Manba Fincorp Private Limited comprises of:

Sr. No.	Name of Director	Designation
1.	Manish Kiritkumar Shah	Director
2.	Nikita Manish Shah	Director

Change in control

There has been no change in the control of Manba Fincorp Private Limited in the three (3) years immediately preceding the filing of this Draft Red Herring Prospectus.

Shareholding pattern

The shareholding pattern of Manba Fincorp Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	Number of equity shares held	Percentage of issued and paid-up share capital (%)
1.	Manish Kiritkumar Shah	7,50,000	37.50%
2.	Nikita Manish Shah	7,50,000	37.50%
3.	Monil Manish Shah	5,00,000	25.00%
	Total	**20,00,000**	**100.00%**

4. Manba Infotech LLP

Corporate Information

Manba Infotech LLP is a limited liability partnership firm, which was incorporated as such on December 19, 2011, under the Limited Liability Partnership Act, 2008 and a certificate of incorporation was issued by the Assistant Registrar, Delhi. Its registered office is located at B- 3701, Sarvodaya Heights, Jain Mandir Road, Mulund West, Mumbai 400 080, Maharashtra, Maharashtra, India. The identification number of Manba Infotech LLP is AAA-7337. The permanent account number of Manba Infotech LLP is AAUFM4517C.

Manba Infotech LLP is authorised to carry on the information technology related business. There has been no change in the activities of Manba Infotech LLP since its incorporation. Presently, Manba Infotech LLP is not engaged in any business activity.

As on the date of this Draft Red Herring Prospectus, Manba Infotech LLP holds 36,01,053 Equity Shares, representing 9.56% of the pre-Issue issued, subscribed and paid-up equity share capital of our Company.

Change in control

There has been no change in the control of Manba Infotech LLP in three (3) years immediately preceding the filling of this Draft Red Herring Prospectus.

Partners

The following table set forth details of the partners of Manba Infotech LLP and their capital contribution as on the date of this Draft Red Hering Prospectus.

Sr. No	Name of Partner	Designation	Capital Contribution (in Rs.)
1.	Manish Kiritkumar Shah	Designated Partner	50,000
2.	Nikita Manish Shah	Designated Partner	50,000
		Total	**1,00,000**

Manish Kiritkumar Shah (HUF)

Manish Kiritkumar Shah (HUF) was formed as a Hindu undivided family, with its office at 3701, Sarvodaya Heights Jain Mandir Road, Sarvodaya Nagar, Mulund West – 400080, Maharashtra, India. Manish Kiritkumar Shah is the karta of the Manish Kiritkumar Shah (HUF). Its PAN is AAAHM5638N.

Members

As on date of this Draft Red Herring Prospectus, the members of Manish Kirit Shah (HUF) comprise of:

Sr. No.	Members of the HUF	Interest in the HUF
1.	Manish Kiritkumar Shah	Karta
2.	Nikita Manish Shah	Co-parcener
3.	Monil Manish Shah	Co-parcener
4.	Priyal Monil Shah	Co-parcener

Our Company confirms that the permanent account number, bank account number, company registration number of our Corporate Promoters and the address of Registrar of Companies where Corporate Promoters are registered, and permanent account number & bank account number of Manish Kirit Shah (HUF) shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with them.

Change in control of our Company

There has not been any change in the control of our Company in the five (5) years immediately preceding the date of this Draft Red Herring Prospectus.

Interest of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company, and they along with their relatives and the entities which form part of the Promoter Group, hold Equity Shares in our Company and to the extent of any dividends and distributions declared thereon. For details of the shareholding of our Promoters and members of the Promoter Group in our Company, please refer to the section titled "*Capital Structure – Shareholding of our Promoters and members of the Promoter Group*" on page 102.

Except as mentioned below, our Promoters do not have any interest, whether direct or indirect, in any property acquired or proposed to be acquired by our Company within the preceding three (3) years from the date of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, or other such transaction.

Our Corporate Office located at IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India has been taken on leave and license basis alongwith furniture & fixtures from one of our Group Companies, Theme Infotech Private Limited for period of thirty-six (36) months with effect from May 1, 2022 at an aggregate rent of ₹ 20 lakhs per month subject to annual increments and our Individual Promoters are indirectly interested in this arrangement by virtue of their directorship and shareholding in our Group Company, Theme Infotech Private Limited.

One of our Promoters, Manish Kirit Shah (HUF) is also interested in our Company to the extent of rent to be paid by our Company for use premises located at Office No. 623 & 624, Iscon Emporio, Village Jodhpur, Paldi, Ahmedabad, Gujarat, India as one of our branch offices which is taken on leave and license basis from Manish Kirit Shah (HUF) w.e.f. June 1, 2023 to May 29, 2024 at a rent of ₹ 1 lakhs per month.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce them to become or qualify them as a director or Promoters or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

None of our Promoters have any interest in any ventures that is involved in any activities similar to those conducted by our Company.

Payment or benefits to our Promoters or our Promoter Group

Except in the ordinary course of business and as disclosed herein and as stated in "*Restated Financial Statements*" on page 287, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two (2) years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

The remuneration to the Individual Promoters is being paid in accordance with their respective terms of appointment. For further details see "*Our Management*" on page 240.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any companies or firms during the three immediately preceding years except as disclosed below:

Sr. No.	Name of the Promoter	Name of the entity	Date of disassociation	Reason
1.	Manish Kiritkumar Shah	M/s. Aastha Construction	August 4, 2022	Dissolution of the partnership firm
2.	Nikita Manish Shah			

Experience of our Individual Promoters in the business of our Company

Manba Investments and Securities Private Limited, Avalon Advisory and Consultant Services Private Limited, Manba Fincorp Private Limited, Manba Infotech LLP are Corporate Promoters of our Company. For details in relation to experience of our Individual Promoters in the business of our Company, see "*Our Business*" and "*Our Management*" on pages 196 and 240, respectively.

Material Guarantees

Other than the guarantees provided by our Promoters in relation to certain of our loans as and when required, our Promoters have not given any material guarantees to any third parties as on the date of this Draft Red Herring Prospectus. For details of our borrowings, see "*Financial Indebtedness*" on page 352.

Confirmations

Our Promoters and members of our Promoter Group have not been declared wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of our Promoter Group have not been declared Fugitive Economic Offenders.

For details in relation to legal proceedings involving our Promoters, please see "*Outstanding Litigation and Material Development – Litigation Involving our Promoters*" on page 382.

For other relevant confirmations in relation to our Promoter and members of our Promoter Group, please see "*Other Regulatory and Statutory Disclosures*" on page 389.

Our Promoter Group

In addition to the Promoters named above, the following individual and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

A. ***Immediate relatives of our Promoters***

The individuals forming a part of our Promoter Group are as follows:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Manish Kiritkumar Shah	Kirit Ratanshi Shah	Father
	Nikita Manish Shah	Spouse
	Rupesh Kirit Shah	Brother
	Monil Manish Shah	Son
	Mansi Hardik Shah	Daughter
	Sanjay A Shah	Spouse's Brother
	Ashish Arvind Shah	Spouse's Brother
	Falguni Hiten Doshi	Spouse's Sister
Nikita Manish Shah	Manish Kiritkumar Shah	Spouse
	Monil Manish Shah	Son
	Mansi Hardik Shah	Daughter
	Sanjay A Shah	Brother
	Ashish Arvind Shah	Brother
	Falguni Hiten Doshi	Sister
	Kirit Ratanshi Shah	Spouse's Father
	Rupesh Kirit Shah	Spouse's Brother
Monil Manish Shah	Manish Kiritkumar Shah	Father
	Nikita Manish Shah	Mother
	Priyal Monil Shah	Spouse
	Mansi Hardik Shah	Sister
	Ketan Dhirajlal Shah	Spouse's Father
	Chetna Ketan Shah	Spouse's Mother
	Sagar Ketan Shah	Spouse's Brother

B. ***The entities forming a part of our Promoter Group***

The entities forming a part of our Promoter Group are as follows:

Companies

- Celebrity Lifespace Private Limited
- Celebrity Projects Private Limited
- Innovative Automobiles Private Limited
- Phalna Shipping Agencies Private Limited
- Ride Choice Limited
- Riders Auto Services Private Limited
- RK Commerce Private Limited
- Theme Infotech Private Limited

Firms

- Aarambh Properties LLP
- Apollo Realsol LLP
- Celebrity Buildcon LLP
- Nirvan Vastu Developers LLP
- Skavia Enterprises LLP
- Kirit Ratanshi Shah (HUF)
- Rupesh Kirit Shah (HUF)

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations 'group companies' of our Company shall include (i) the companies (other than promoters(s) and our Subsidiaries) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Financial Statements; and (ii) such other companies as considered material by our Board pursuant to the materiality policy.

Pursuant to a resolution dated January 17, 2024, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies of our Company shall include (i) the companies (other than our Corporate Promoters) with which there were related party transactions, as per Ind AS 24 and as disclosed in the Restated Financial Statements ("**Relevant Period**"), and (ii) such companies that are a part of the Promoter Group (other than the Corporate Promoters), and with which there were transactions in the most recent financial year, as disclosed in the Restated Financial Statements included in the Offer Documents, of a value exceeding individually or in the aggregate, 10% of the total restated revenue of our Company for the most recent financial year as disclosed in the Restated Financial Statements included in the Offer Documents, 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 Group Companies are set forth below:

1. Theme Infotech Private Limited
2. Celebrity Projects Private Limited
3. Ride Choice Limited
4. Innovative Automobiles Private Limited
5. Celebrity Lifespace Private Limited
6. Riders Auto Services Private Limited

Financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) is available at our Company's website indicated below. Such financial information of the Group Companies on the Company's website does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision. Our Company is providing link to such financial information solely to comply with the requirements specified under the SEBI ICDR Regulations

Details of our Group Companies

The details of our Group Companies are provided below:

1. Theme Infotech Private Limited ("Theme Infotech")

Corporate information

Theme Infotech Private Limited was incorporated on April 18, 2005, under the Companies Act, 1956 as a private limited company. The Registered office of Theme Infotech is located at Plot No. A-79, Thane Industrial Area, Wagle Estate, Village Panchpakhadi, Thane – 400 604, Maharashtra, India.

The CIN of Theme Infotech is U50200MH2005PTC152674.

Financial information

The financial information derived from the audited financial statements of Theme Infotech for Fiscals 2023, 2022 and 2021 as required by the SEBI ICDR Regulations, are available on our Company's website, https://www.manbafinance.com/investor-relation/.

2. Celebrity Projects Private Limited ("Celebrity Projects")

Corporate information

Celebrity Projects Private Limited was incorporated on December 6, 2010, under the Companies Act, 1956 as a private limited company. The Registered office of Celebrity Projects is located at 306, Runwal Heights

Commercial Complex, Opp. Nirmal lifestyle, L.B.S. Marg, Mulund (West), Mumbai – 400 080, Maharashtra, India.

The CIN of Celebrity Projects is U70102MH2010PTC210678.

Financial information

The financial information derived from the audited financial statements of Celebrity Projects for Fiscals 2023, 2022 and 2021 as required by the SEBI ICDR Regulations, are available on our Company's website, https://www.manbafinance.com/investor-relation/.

3. Ride Choice Limited ("Ride Choice")

Corporate information

Ride Choice Limited was incorporated on August 20, 2020, under the Companies Act, 2013 as a public limited company. The Registered office of Ride Choice is located at 309, Runwal Heights, L.B.S. Marg, Opp. Nirmal Lifestyle, Mulund (West), Mumbai – 400 080, Maharashtra, India.

The CIN of Ride Choice is U50401MH2020PLC344140.

Financial information

The financial information derived from the audited financial statements of Ride Choice for Fiscals 2023, 2022 and 2021 as required by the SEBI ICDR Regulations, are available on our Company's website, https://www.manbafinance.com/investor-relation/.

4. Innovative Automobiles Private Limited ("Innovate Automobiles")

Corporate information

Innovative Automobiles Private Limited was incorporated on February 24, 2005, under the Companies Act, 1956 as a private limited company. The Registered office of Innovative Automobiles is located at Milton House, Shop No. 9/10/11/12, L.B.S. Marg, Near Bhandup Police Station, Bhandup (West), Mumbai – 400 078, Maharashtra, India.

The CIN of Innovative Automobiles is U50300MH2005PTC151590.

Financial information

The financial information derived from the audited financial statements of Innovative Automobiles for Fiscals 2023, 2022 and 2021 as required by the SEBI ICDR Regulations, are available on our Company's website, https://www.manbafinance.com/investor-relation/.

5. Celebrity Lifespace Private Limited ("Celebrity Lifespace")

Corporate information

Celebrity Lifespace Private Limited was incorporated on November 1, 2012, under the Companies Act, 1956 as a private limited company. The Registered office of Celebrity Lifespace is located at 308, Runwal Heights, L.B.S Marg, Opp. Nirmal Lifestyle, Mulund (West), Mumbai, Mumbai – 400 080, Maharashtra, India.

The CIN of Celebrity Lifespace is U70100MH2012PTC237415.

Financial information

The financial information derived from the audited financial statements of Celebrity Lifespace for Fiscals 2023, 2022 and 2021 as required by the SEBI ICDR Regulations, are available on our Company's website, https://www.manbafinance.com/investor-relation/.

6. Riders Auto Services Private Limited ("Riders Auto")

Riders Auto Services Private Limited was incorporated on August 4, 2010, under the Companies Act, 1956 as a private limited company. The Registered office of Riders Auto is located at 303, Shree Ganesh Ashirwad Co-Op Housing Society Limited, P.K.Road, Mulund (West), Mumbai City, Mumbai – 400 080 Maharashtra, India.

The CIN of Riders Auto is U74900MH2010PTC206231.

Financial information

The financial information derived from the audited financial statements of Riders Auto for Fiscals 2023, 2022 and 2021 as required by the SEBI ICDR Regulations, are available on our Company's website, https://www.manbafinance.com/investor-relation/.

Nature and extent of interest of our Group Companies

In the promotion of our Company

Our Group Companies do not have any interest in the promotion of our Company.

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 disclosed below, our Group Companies are not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

One of our Group Companies, Theme Infotech Private Limited is interested in the properties acquired by our Company, to the extent of aggregate rent of ₹ 20 lakhs per month for our Corporate Office located at IT/ ITES Building, Plot No. A-79, Road No. 16, Wagle Estate, Thane 400 604, Maharashtra, India along with furniture & fixtures taken on leave and license basis from Theme Infotech Private Limited for a period of thirty-six (36) months with effect from May 1, 2022.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Companies and our Company

None of our Group Companies are engaged in business activities similar to that of our Company and accordingly there are no common pursuits amongst group companies and our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in "*Restated Financial Statements – Note 39 - Related Party Disclosures*" on page 287, there are no related business transactions with our Group Companies.

Litigation

As on the date of this Draft Red Herring Prospectus, there are no pending litigations involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in "*Restated Financial Statements – Note 39 - Related Party Disclosures*" on page 287, our Group Companies do not have any business interest in our Company.

Confirmations

Our Group Companies do not have any securities listed on any stock exchange. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by our shareholders in the Annual General Meeting, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act and SEBI Listing Regulations, including the rules made thereunder and other relevant regulations, if any, each as amended from time to time. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act including the Rules made thereunder and other relevant regulations, if any. The dividend distribution policy of our Company was approved and adopted by our Board on January 17, 2024 (the "**Dividend Distribution Policy**"). In terms of the Dividend Distribution Policy, the declaration and payment of dividend, if any, shall depend on a number of external, internal and financial factors, which, inter alia, include (i) magnitude and stability of earnings, (ii) liquidity positions; (iii) future requirements; (iv) working capital/ capital expenditure requirements; (v) leverage profile and liabilities of our Company; (vi) legal/ statutory provisions and regulatory concerns; (vii) state of economy; (viii) taxation policies; (ix) and any other factor deemed fit by the Board of directors of our Company.

Our Company has not declared any dividends in: (i) the last three (3) Fiscals (i.e. Fiscals 2023, 2022 and 2021); and (ii) the period between April 1, 2023 and the date of filing this Draft Red Herring Prospectus. Further, for details of risks in relation to our capability to pay dividend see "*Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and restrictive terms of our financing arrangements.*" on page 61.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our "Financial Information" on page 287 as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 196 and 355, respectively.

*Certain non-GAAP measures such as, average cost of borrowing, net NPA on AUM, provision coverage ratio, net worth, total borrowings to equity ratio, operating expenses to net income, return on total average assets, operating expenses to average total assets, pre provision operating profit, credit cost to average total assets, average yield on AUM, net interest margin to average total assets, net asset value per equity share, operating expenses, total borrowings to net worth, return on net worth and EBITDA **("Non-GAAP Measures")** presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not standardized terms, 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 their 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 reconciliation of Non-GAAP Measures, see "-Non-GAAP reconciliations" on page 283.*

Return on Equity and Assets

The following table sets forth, for the periods indicated selected financial information relating to the return on equity and assets for our Company:

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and per share data)			
Profit After Tax	1,680.36	1,658.01	974.02	936.33
Total Assets	85,930.99	78,724.75	56,145.80	55,540.20
Average Total Assets (1)	82,327.87	67,435.27	55,843.00	54,592.74
AUM (2)	73,373.41	63,368.90	49,582.62	53,011.75
Average AUM (3)	68,371.15	56,475.76	51,297.19	52,008.92
Net Worth (4)	18,535.38	16,843.13	15,174.38	14,193.21
Average Equity or Average Net Worth (5)	17,689.25	16,008.75	14,683.79	13,717.07
Total Borrowings (6)	65,122.56	59,593.01	39,439.73	40,467.55
Average Total Borrowings (7)	62,357.79	49,516.37	39,953.64	39,899.15
Return on Average Total Assets (%) (8)*	2.04%	2.46%	1.74%	1.72%
Return on Equity (%) (9) *	9.50%	10.36%	6.63%	6.83%
Basic Earnings Per Equity Share (₹) (10) *	4.46	4.40	2.59	2.49
Diluted Earnings Per Equity Share (₹) (10) *	4.46	4.40	2.59	2.49
Net Asset Value Per Equity Share (₹) (11)	49.21	44.71	40.28	37.68
Total Tangible Assets (12)	85,842.48	78,644.91	56,092.00	55,437.15
Average Tangible Asset (13)	82,243.69	67,368.46	55,764.58	54,497.85
AUM on Net Worth	3.96	3.76	3.27	3.74
Return on Average Total Tangible Asset (14)	2.04%	2.46%	1.75%	1.72%

**Figures are not annualized. Un-annualized figures are the actual figures for the period.*

Figures disclosed in the above table, except Profit after Tax, Total Assets and Basic and Diluted Earnings Per Equity Share, are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies. For reconciliation of Non-GAAP Measures, see "Non-GAAP reconciliation" on page 283.

(1) Average Total Assets represents the simple average of our Total Assets as of the last day of the relevant period and our Total Assets of the last day of the previous period.

(2) AUM represents the aggregate of Gross Loan book and the derecognized portion of loans which have been transferred by our Company by way of direct assignment & co-lending arrangements and are outstanding as of the last day of the relevant period.
(3) Average AUM represents the simple average of our AUM as of the last day of the relevant period and our AUM of the last da y of the previous period.
(4) Net worth is the aggregate of our equity share capital and other equity.
(5) Average Equity or Average Net Worth represents the simple average of our equity or Net Worth as of the last day of the relevant period and our equity or Net Worth as of the last day of the previous period.
(6) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) outstanding as of the last day of the relevant period.
(7) 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.
(8) Return on Average Total Assets is calculated as the Profit After Tax for the relevant period as a percentage of Average Total Assets in such period.
(9) Return on Equity is calculated as the Profit After Tax for the relevant period as a percentage of Average Net Worth in such period.
(10) Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
(11) Net Asset Value Per Equity Share is Net Worth as at the end of the relevant period divided by weighted average number of equity shares outstanding at the end of the relevant period and bonus shares issued on January 17, 2024.
(12) Total Tangible Asset represents Total Assets less goodwill as on the last day of relevant period.
(13) Average Tangible Asset represents the simple average of our total Tangible Asset as on the last day of relevant period and total tangible asset as on the last day of previous period.
(14) Return on tangible asset is calculated as the profit after for the relevant period as a percentage of average total tangible asset in such period.

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for our Company:

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and per share data)			
AUM [1]	73,373.41	63,368.90	49,582.62	53,011.75
AUM Growth (%) [2]	15.79%	27.80%	-6.47%	3.93%
Average AUM [3]	68,371.15	56,475.76	51,297.19	52,008.92
Gross Loan Book [20]	70,959.23	63,368.90	49,582.62	53,011.75
Securitized Assets [4]	17,464.02	15,169.13	4,934.54	3,483.75
Total Assets [5]	85,930.99	78,724.75	56,145.80	55,540.20
Disbursements [6]	24,004.54	42,669.48	29,060.23	26,761.19
Total Revenue from Operations	8,828.86	13,331.64	10,659.06	10,565.63
Other Income	0.07	0.07	2.88	10.80
Total Income	8,828.93	13,331.71	10,661.94	10,576.43
Adjusted Finance Costs [25]	3,536.24	5,541.95	4,639.15	5,066.61
Operating Expenses [7]	3,159.18	5,511.10	4,756.51	4,224.11
Operating Expenses to Average Total Assets (%) [8]*	3.84%	8.17%	8.52%	7.74%
Operating Expenses per location [9] *	54.47	108.06	144.14	140.80
Pre-Provision Operating Profit (PPOP) [24]	2,636.82	3,204.76	2,328.89	2,174.97
Pre-Provision Operating Profit (PPOP) to Average Total Assets (%)	3.20%	4.75%	4.17%	3.98%
Impairment on Financials Instrument [10]	479.65	831.31	1,003.59	770.25
Impairment on Financials Instrument to Average Total Assets (%) [11] *	0.58%	1.23%	1.80%	1.41%
Gross NPA [12]	2,770.81	2,368.68	2,450.04	1,478.11
Gross NPA (%) [13]	3.90%	3.74%	4.94%	2.79%
NPA Provision [14]	526.45	378.99	318.51	221.60
Net NPA [15]	2,244.36	1,989.69	2,131.53	1,256.51
Net NPA (%) [16]	3.16%	3.14%	4.30%	2.37%

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and per share data)			
Provision Coverage Ratio (%) (17)	19.00%	16.00%	13.00%	14.99%
Total Loan Loss Provision (LLP) (18)	883.37	646.71	640.98	656.16
Total LLP to Gross Loan Book (%)	1.24%	1.02%	1.29%	1.24%
Operating Expenses to Net Income (%) (19)	59.69%	41.34%	44.62%	39.98%
Gross Loan Book/ Net Worth	3.83	3.76	3.27	3.74
Average Gross Loan Book (20)	67,164.07	56,475.76	51,297.19	52,008.92
Average Gross Loan Book/ Average Net Worth (21)	3.80	3.53	3.49	3.79
Net Loan Book (22)	69,634.20	62,331.61	48,267.35	51,978.44
Adjusted Spread (%) (23)	4.11%	9.08%	6.73%	7.01%

**Figures are not annualized. Un-annualized figures are the actual figures for the period.*

Figures disclosed in the above table, except Total Revenue from Operations, Other Income, Total Revenue, Finance Costs and Total Assets, are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies. For reconciliation of Non-GAAP Measures see, "-Non-GAAP reconciliation" on page 283.

(1) AUM represents aggregate of Gross Loan book and the derecognized portion of loans which have been transferred by our Company by way of direct assignment & co-lending and are outstanding as of the last day of the relevant period.

(2) AUM Growth represents growth in AUM for the relevant period over AUM of the previous period.

(3) Average AUM is the simple average of our AUM as of the last day of the relevant period and our AUM of the last day of the previous period.

(4) Securitized assets represents aggregate of future principal outstanding and overdue principal outstanding and interest accrued due and interest accrued not due, if any, for loan assets which have been transferred by our Company by way of securitization (including the Minimum Retention Requirement ("MRR") portion retained in the books) and outstanding as of the last day of the relevant period.

(5) Total Assets represents Total Assets as of the last day of the relevant period.

(6) Disbursements represents the aggregate of all loan amounts extended to our customers in the relevant period.

(7) Operating Expenses represents employee benefits expense, depreciation and amortization expense and fees & commission expenses, impairment on financial instruments and other expenses for the relevant period.

(8) Operating Expenses to Average Total Assets represents operating expenses for the relevant period upon the simple average of our total assets as of the last day of the relevant period and our total assets as of the last day of the previous period, represented as a percentage.

(9) Operating Expenses per location represents operating expenses upon the aggregate number of locations.

(10) Impairment allowance on financial instruments represents Credit Cost for the relevant period.

(11) Impairment allowance on financial instruments to Average Total Assets represents Impairment allowance on financial instruments upon simple average of total assets as of the last day of the relevant period and total assets as of the last day of the previous period, represented as a percentage.

(12) Gross NPA represents gross loan book pertaining to loans which are required to be classified as NPA as per the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances ("IRACP Norms") issued and modified by RBI from time to time.

(13) Gross NPA (%) represents the Gross NPA as of the last day or the relevant period, represented as a percentage of the Gross Loan Book.

(14) 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.

(15) Net NPA represents Gross NPA reduced by Impairment Loss Allowance (i.e., Expected Credit Loss Allowance or ECLs) made against these loans as of the last day of relevant reporting period.

(16) Net NPA % represents the Net NPA as of the last day or the relevant day or period to the net loan book as of the last day of the relevant period, represented as a percentage.

(17) Provision Coverage Ratio represents total provisions created on Gross NPA for the period, as a percentage of total Gross NPAs as of the last day of the period.

(18) Total Loan Loss Provision (LLP) represents total provision held against the total Gross Loan Book outstanding as of the last day of relevant period.

(19) Operating Expenses to Net Income represents the ratio of operating expenses for the relevant period divided by Net Income for the period, expressed as a percentage. Net Income represents Interest Income & other Operating Income less adjusted Finance cost for the relevant period.

(20) Gross Loan Book represents aggregate of future principal outstanding, principal overdue, interest overdue and interest accrued but not due from borrowers pertaining to loans held in our books as on the last day of the relevant period.

(21) Average Gross Loan Book represents simple average of Gross Loan Book over last period.

(22) Net Loan Book represents the Gross Loan Book as reduced Impairment loss allowance and unamortised income of the last day of the relevant period.

(23) Adjusted spread represents interest income less adjusted finance cost and credit cost to the average total assets.

(24) Pre-Provision Operating Profit is the amount of profit earned before tax and extraordinary items by the company, before deduction of impairment on financials instruments and provision for expenses for the period.
(25) Adjusted Finance Costs represents aggregate of finance costs excluding interest on lease liabilities for the relevant period.

Return Ratio

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in percentages)			
Total Revenue from Operations to Average AUM (1) *	12.91%	23.61%	20.78%	20.32%
Other Income to Average AUM (2) *	0.00%	0.00%	0.01%	0.02%
Total Income to Average AUM (3) *	12.91%	23.61%	20.78%	20.34%
Adjusted Finance cost to Average AUM (4) *	5.17%	9.81%	9.04%	9.74%
Net Income to Average AUM (5) *	7.74%	13.79%	11.74%	10.59%
Operating Expenses to Average AUM (6) *	4.62%	9.76%	9.27%	8.12%
Impairment on Financials Instrument (credit cost) to Average AUM (7) *	0.70%	1.47%	1.96%	1.48%
PBT to Average AUM (8) *	3.12%	4.03%	2.47%	2.47%
PAT to Average AUM (9) *	2.46%	2.94%	1.90%	1.80%
PAT to Average Net Worth (10) *	9.50%	10.36%	6.63%	6.83%

**Figures are not annualized. Un-annualized figures are the actual figures for the period.*
(1) Total Revenue from Operations to Average AUM represents our total revenue from operations for the period to the Average AUM for the period.
(2) Other Income to Average AUM represents our other income for the relevant period to the Average AUM for the period Average AUM for the period.
(3) Total Revenue to Average AUM represents sum of Total Revenue from operations and other income for the period to the Average AUM for the period.
(4) Adjusted Finance cost to Average AUM represents our adjusted finance costs for the period to the Average AUM for the period.
(5) Net Revenue to Average AUM represents the difference between total revenue and finance cost for the period to the Average AUM for the period.
(6) Operating Expenses to Average AUM represents our operating expenses for a period to the Average AUM for the period.
(7) Credit cost to Average AUM represents our Credit Cost for a period to the Average AUM for the period.
(8) PBT to Average AUM represents our Profit Before Tax for a period to the Average AUM for the period.
(9) PAT to Average AUM represents our Profit After Tax for a period to the Average AUM for the period.
(10) PAT to Average Net Worth represents our Profit After Tax for a period to the Average Net Worth for the period.

Yields, Spreads and Margins

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in Lakhs, except percentages)			
Interest Income **	7,401.74	12,496.17	9,397.99	9,665.27
Adjusted Finance Cost	3,536.24	5,541.95	4,639.15	5,066.61
Total Interest-earning Assets (1)	76,784.04	67,911.12	51,339.19	53,897.63
Average Interest-earning Assets (2)	72,347.58	59,625.15	52,618.41	52,717.49
Average Total Assets (3)	82,327.87	67,435.27	55,843.00	54,592.74
Average Interest-bearing liabilities (4)	62,357.79	49,516.37	39,953.64	39,899.15
Total Income	8,828.93	13,331.71	10,661.94	10,576.43
Net Interest Income (5)	3,865.50	6,954.22	4,758.84	4,598.66
Average yield on Average AUM (6) *	10.83%	22.13%	18.32%	18.58%
Average Cost of Borrowings (7) *^	5.67%	11.19%	11.61%	12.70%
Spread (8) *	5.15%	10.93%	6.71%	5.89%

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in Lakhs, except percentages)			
Net Interest Margin (%) (9) *	5.65%	12.31%	9.28%	8.84%
Incremental Cost of Borrowings (%) (10) *	6.16%	12.34%	11.49%	12.39%
Incremental Borrowings (11)	26,996.00	55,171.00	27,116.00	25,253.00

**Figures are not annualized. Un-annualized figures are the actual figures for the period.*
***Interest income does not include loan fees.*
^This is a Non-GAAP Measure. For reconciliation of Non-GAAP Measures, see "-Non-GAAP reconciliation" on page 283.
Figures disclosed in the above table, except "Finance cost" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) *Total Interest-earning Assets represents loans; balances with banks in deposit accounts; fixed deposits with banks; and investment in bonds as of the last day of the previous period.*
(2) *Average Interest-earning Assets represent the simple average of total interest-earning assets as of the last day of the relevant period and total interest-earning assets outstanding as of the last day of the previous period.*
(3) *Average Total Assets represents the simple average of our Total Assets as of the last day of the relevant period and our Total Assets of the last day of the previous period.*
(4) *Average Interest-bearing Liabilities is the simple average of our total interest-bearing liabilities (which comprises Total Borrowings) outstanding as of the last day of the relevant period and our total interest-bearing liabilities outstanding as of the last day of the previous period.*
(5) *Net Interest Income on loans represents interest income on loan book less finance costs, for the relevant period.*
(6) *Average Yield on Average AUM represents the ratio of interest income on loan assets for a period to the average AUM for the period.*
(7) *Average cost of borrowings represents finance cost 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.*
(8) *Spread represents average yield on Gross Loan Book less average cost of borrowings including securitization.*
(9) *Net Interest Margin represents our net interest income on the loans for a period to the average gross loan book for the period, represented as a percentage.*
(10) *Incremental Cost of Borrowing represents weighted average rate of interest on fresh borrowings in the relevant period.*
(11) *Incremental Borrowings represents borrowings during the period.*

Gross Loan Book

Asset category	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages)			
Gross Loan Book (1)				
New Vehicle Loans				
Two-wheeler	65,664.28	59,360.84	46,313.72	49,872.78
Three-wheeler*	277.91	30.63	-	-
Top-up loans	4,635.40	3,806.47	3,251.59	3,123.41
Used Vehicle	280.72	170.95	17.30	15.57
Personal Loans*	100.93	-	-	-
Total	**70,959.23**	**63,368.90**	**49,582.62**	**53,011.75**
Secured credit exposure	70,858.31	63,368.90	49,582.62	53,011.75
Unsecured credit exposure	100.93	-	-	-
% of secured credit exposure	99.86%	100.00%	100.00%	100.00%
% of unsecured credit exposure	0.14%	0.00%	0.00%	0.00%

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

(1) *Gross Loan book represents aggregate of future principal outstanding, principal overdue, interest overdue and interest accrued but not due from borrowers pertaining to loans held in our books as on the last day of the relevant period.*

Average Gross Loan Book

Asset category	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs)			
Average Gross Loan Book (1)				
New Vehicle Loans				
Two-wheeler	62,512.56	52,837.28	48,093.25	48,258.51
Three-wheeler*	154.27	30.63	-	-
Top-up loans	4,220.94	3,529.03	3,187.50	3,742.62
Used vehicle	225.84	94.13	16.44	7.78
Personal Loans*	100.93			
Total	**67,214.53**	**56,491.08**	**51,297.19**	**52,008.92**
Secured credit exposure	67,113.60	56,491.08	51,297.19	52,008.92
Unsecured credit exposure	100.93	-	-	-

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

(1) *Average Gross Loan book represents average of future principal outstanding, principal overdue, interest overdue and interest accrued but not due from borrowers pertaining to loans held in our books as on the last day of the relevant period.*

Asset Quality- Provisioning and write-offs

Asset category (Loan Book)	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs)			
Gross Loan Book	70,959.23	63,368.90	49,582.62	53,011.75
Gross NPAs (1)	2,770.81	2,368.68	2,450.04	1,478.11
NPA Provisions (2)	526.45	378.99	318.51	221.60
Net NPAs (3)	2,244.36	1,989.69	2,131.53	1,256.51
Bad Debts Write-off (4)	242.99	595.15	907.25	770.25

(1) *Gross NPA represents gross loan book pertaining to loans which are required to be classified as NPA as per the IRACP Norms is sued and modified by RBI from time to time.*
(2) *NPA provisions represents total Expected Credit Loss allowance on Stage 3 Loans held in the books as of the last day of the relevant period.*
(3) *Net NPA represents Gross NPA reduced by Impairment Loss Allowance (i.e., Expected Credit Los s Allowance or ECLs) made against these loans as of the last day of relevant reporting period.*
(4) *This includes settlement write-off.*

Stage-wise loans- Details

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in Lakhs, except percentages)			
Gross Carrying Amount - Loans				

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in Lakhs, except percentages)			
1. Stage 1 (1)	64,723.20	57,696.52	43,294.84	47,143.00
2. Stage 2 (2)	3,023.56	2,913.12	3,163.45	4,013.50
3. Stage 3 (3)	2,770.81	2,368.68	2,450.04	1,478.11
4. Total Gross Carrying Amount - Loans	**70,517.57**	**62,978.32**	**48,908.33**	**52,634.60**
ECL Allowance - Loans				
5. Stage 1	282.97	201.49	243.75	349.30
6. Stage 2	73.94	66.23	78.72	85.26
7.Stage 3	526.45	378.99	318.51	221.60
8. Total ECL Allowance Loans (4)	**883.37**	**646.71**	**640.98**	**656.16**
Net Carrying Amount - Loans				
9. Stage 1 (9=1-5)	64,440.23	57,495.04	43,051.09	46,793.70
10. Stage 2 (10=2-6)	2,949.61	2,846.88	3,084.73	3,928.24
11. Stage 3 (11=3-7)	2,244.36	1,989.69	2,131.53	1,256.51
12. Total Net Carrying Amount - Loans (12=4-8)	**69,634.20**	**62,331.61**	**48,267.35**	**51,978.44**
13. Ratio of Total ECL Allowance Loans to Total Gross Carrying	**1.25%**	**1.03%**	**1.31%**	**1.25%**

(1) Stage 1 Loans refers to less than 30 Day Past Due ("DPD") accounts other than restructured less than 30 DPD accounts and NPA less than 30 DPD accounts post adjustment of unamortised income as per Ind AS.

(2) Stage 2 Loans refers to 30 to 59 DPD, 60-89 DPD and all loans, restructured under the Resolution Framework, which allowed a one- time restructuring of loans impacted by COVID-19 pandemic, which are Stage 2 or below as per DPD.

(3) Stage 3 Loans refers to Stage 3 Loans assets under our Gross Loan Book as of the last day of the relevant period, or closing balance of Gross Loan Book, which are 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.

Productivity ratios- Overall

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
Number of locations (1)	58	51	33	30
Number of on-roll employees (2)	1,154	827	663	620
AUM per location (3) (₹ in lakhs)	1,265.06	1,242.53	1,502.50	1,767.06
AUM per employee (4) (₹ in lakhs)	63.58	76.63	74.79	85.50
Disbursement per location (5) (₹ in lakhs)	414.56	836.66	880.61	892.04
Disbursement per location per month (6) (₹ in lakhs)	69.09	69.72	73.38	74.34
Disbursement per employee (7) (₹ in lakhs)	20.84	51.60	43.83	43.16

Notes:

(1) Number of locations represents aggregate number of business locations 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) AUM per location represents AUM as of last day of the relevant period divided by number of branches.

(4) AUM per employee represents AUM as of the last day of the relevant period divided by number of on roll employees.

(5) Disbursement per location represents disbursements in the relevant period divided by number of locations.

(6) Disbursement per location per month represents disbursements in the relevant period divided by number of locations divided by number of months.

(7) Disbursement per employee represents disbursements in the relevant period divided by number of employees.

Productivity ratios - Vehicle loans

Productivity Ratios - Vehicle Loans	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
Number of locations (1)	58	51	33	30
Number of on-roll employees (2)	1,154	827	663	620
Number of locations with Vintage >=36 Months	27	24	9	3
Number of locations with Vintage <36 month and >=24 Months	5	6	15	6
Number of locations with Vintage< 24 months >=12 Months	14	3	6	15
Number of locations with Vintage <=12 Months	12	18	3	6
AUM per location with Vintage >=36 Months (₹ in lakhs)	2,351.65	1,155.40	1,366.19	2,822.97
AUM per location with Vintage <36 month and >=24 Months (₹ in lakhs)	505.03	5,307.99	615.53	823.98
AUM per location with Vintage< 24 months >=12 Months (₹ in lakhs)	468.98	332.12	4,658.56	380.06
AUM per location with Vintage <=12 Months (₹ in lakhs)	65.65	155.27	34.18	5,649.68
AUM per location (3) (₹ in lakhs)	1,265.06	1,242.53	1,502.50	1,767.06
AUM per employee (4) (₹ in lakhs)	63.58	76.63	74.79	85.50
Disbursement (₹ in lakhs)	24,044.54	42,669.48	29,060.23	26,761.19
Disbursement per location (₹ in lakhs)	414.56	836.66	880.61	892.04
Disbursement per location per month (5) (₹ in lacs)	69.09	69.72	73.38	74.34
Disbursal per location with Vintage >=36 Months (₹ in lakhs)	713.63	1,594.42	2,365.59	6,558.86
Disbursal per location with Vintage <36 month and >=24 Months (₹ in lakhs)	76.91	167.75	467.29	390.59
Disbursal per location with Vintage< 24 months	269.57	137.62	98.72	287.87
Disbursal per location with Vintage <=12 Months (₹ in lakhs)	51.51	165.79	56.07	70.50
Disbursement per month (₹ in lakhs)	4,007.42	3,555.79	2,421.69	2,230.10
Disbursement per month per employee (6) (₹ in lakhs)	3.47	4.30	3.65	3.60

Notes:

(1) Number of locations represents aggregate number of business locations of our Company offering the defined product as of the last day of relevant period.

(2) Number of on-roll employees represents aggregate number of employees of our Small Ticket LAP business as of the last day of relevant period.

(3) AUM per location represents AUM as of last day of the relevant period divided by number of locations.

(4) AUM per employee represents AUM as of the last day of the relevant period divided by number of on roll employees.

(5) Disbursement per location represents disbursements in the relevant period divided by number of locations.

(6) Disbursement per employee represents disbursements in the relevant period divided by number of on roll employees.

Capital Adequacy

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and ratios)			
Tier I Capital	18,535.38	16,843.13	15,174.38	14,193.21

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and ratios)			
Tier II Capital	-	-	-	-
Total Capital	18,535.38	16,843.13	15,174.38	14,193.21
Risk Weighted Assets	69,634.20	62,331.61	48,267.35	51,978.44
Capital Adequacy Ratio (%)				
Tier I Capital (%)	26.62%	27.02%	31.44%	27.31%
Tier II Capital (%)	0.00%	0.00%	0.00%	0.00%
Total Borrowings (1) to Equity ratio (2)	3.51	3.54	2.60	2.85

Notes:

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

(2) Total Borrowings to 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. For reconciliation of Non-GAAP Measures, see "-Non-GAAP reconciliations" on page 283.

Sources of Capital- Borrowings

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs)			
Term Loans - Secured				
Banks	14,470.98	14,991.18	13,302.04	16,789.80
NBFCs and Financial Institutions	25,023.15	24,525.51	12,706.33	9,667.66
Term Loans - Unsecured				
Banks	-	-	-	-
NBFCs and Financial Institutions	-	-	406.18	2,335.13
Debt Securities - Secured				
Non-Convertible Debentures	6,395.83	2,666.67	1,499.92	3,833.33
Subordinated Liabilities	-	-	-	-
CP	-	-	3,000.00	1,000.00
Working Capital Demand Loan	4,323.76	4,679.85	4,628.91	3,960.79
Others	33.16	37.33	45.18	71.97
PTC	15,044.25	12,878.83	3,947.52	2,889.27
Unamortised processing fees - Borrowings(IND AS)	(168.57)	(186.36)	(96.35)	(80.40)
Total	**65,122.56**	**59,593.01**	**39,439.73**	**40,467.55**

Sources of Capital- Borrowing mix

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in percentage)			
Term Loans - Secured				
Banks	22.22%	25.16%	33.73%	41.49%
NBFCs and Financial Institutions	38.42%	41.16%	32.22%	23.89%
Term Loans - Unsecured				
Banks	0.00%	0.00%	0.00%	0.00%
NBFCs and Financial Institutions	0.00%	0.00%	1.03%	5.77%
Debt Securities - Secured				

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in percentage)			
Non-Convertible Debentures	9.82%	4.47%	3.80%	9.47%
Subordinated Liabilities	0.00%	0.00%	0.00%	0.00%
CP	0.00%	0.00%	7.61%	2.47%
Working Capital Demand Loan	6.64%	7.85%	11.74%	9.79%
Others	0.05%	0.06%	0.11%	0.18%
PTC	23.10%	21.61%	10.01%	7.14%
Unamortised processing fees - Borrowings(IND AS)	(0.26) %	(0.31) %	(0.24) %	(0.20) %
Total	**100.00%**	**100.00 %**	**100.00 %**	**100.00 %**

Average cost of borrowing

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in percentage)			
Term Loans	12.59%	12.42%	11.96%	12.51%
NCD - Secured	12.72%	12.76%	12.53%	12.80%
PTC	11.38%	11.30%	10.88%	10.50%
WCDL	11.57%	11.54%	11.30%	11.06%
CP	0.00%	0.00%	12.50%	12.50%
Unsecured subordinated NCD	0.00%	0.00%	0.00%	0.00%
Average Cost of Borrowing	**5.67%**	**11.19%**	**11.61%**	**12.70%**

Number of entities borrowed from

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
Banks	13	11	13	16
NBFCs and Financial Institutions	22	19	11	9
Mutual Funds	0	0	0	0
Individual (NCD)	4	0	0	0
Body corporate (NCD)	1	0	0	0
Total	**40**	**30**	**24**	**25**

Types of Borrowings

Type of Borrowings	As and for six months ended September 30, 2023		As of and for Fiscal					
			2023		2022		2021	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(Figures in Lakhs, except percentages)							
Fixed Rate Borrowings	39,776.77	60.92%	33,155.67	55.46%	16,856.33	42.64%	13,344.69	32.91%
Floating Rate Borrowings	25,514.36	39.08%	26,623.71	44.54%	22,679.75	57.36%	27,203.26	67.09%

Type of Borrowings	As and for six months ended September 30, 2023		As of and for Fiscal					
			2023		2022		2021	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(Figures in Lakhs, except percentages)							
Total Borrowings	**65,291.13**	**100.00%**	**59,779.37**	**100.00%**	**39,536.08**	**100.00%**	**40,547.95**	**100.00%**
Unamortised processing fees – Borrowings	(168.57)		(186.36)		(96.35)		(80.40)	
Total Borrowings	**65,122.56**		**59,593.01**		**39,439.73**		**40,467.55**	

Average cost of borrowings and tenure

Particulars	As of and for the months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in months, except percentages)			
Average Tenure of Borrowings	26.88	27.12	28.89	28.08
Average Cost of Borrowing^	5.67%	11.19%	11.61%	12.70%

^This is a Non-GAAP Measure. For reconciliation of Non-GAAP Measures, see "-Non-GAAP reconciliations"

ALM

Particulars	As of September 30, 2023			As of March 31, 2023		
	Liabilities	Assets	Gap	Liabilities	Assets	Gap
	(₹ in lakhs)					
Years						
Up to 1 year	41,571.36	56,890.77	15,319.41	39,535.15	51,622.12	12,086.97
Over 1 year and up to 3 years	25,824.63	27,010.60	1,185.97	20,962.40	22,410.63	1,448.23
Over 3 years and up to 5 years	-	-	-	1,384.20	3,046.00	1,661.80
Over 5 years	18,535.00	2,029.62	(16,505.38)	16,843.00	1,646.00	(15,197.00)
Total	**85,930.99**	**85,930.99**	**-**	**78,724.75**	**78,724.75**	**-**

(1) Liabilities represent Total Financial Liabilities, Total Non-Financial Liabilities and Total Equity.
(2) Assets represents Total Financial Assets, Total Non-Financial Assets and Undrawn Committed Credit Lines.

Product-wise AUM (in terms of amount)

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in Lakhs)			
New Vehicle Loans				
Two-wheeler	68,078.46	59,360.84	46,313.72	49,872.78
Three-wheeler*	277.91	30.63	-	-
Top-up loans	4,635.40	3,806.47	3,251.59	3,123.41
Used Vehicle	280.72	170.95	17.30	15.57
Personal Loans*	100.93	-	-	-
Total	**73,373.41**	**63,368.90**	**49,582.62**	**53,011.76**

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in Lakhs)			
Secured credit exposure	73,272.49	63,368.90	49,582.62	53,011.76
Unsecured credit exposure	100.93	-	-	-

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

Average product-wise AUM (in terms of amount)

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in Lakhs)			
New Vehicle Loans				
Two-wheeler	63,719.65	52,837.28	48,093.25	48,258.51
Three-wheeler*	154.27	30.63	-	-
Top-up loans	4,220.94	3,529.03	3,187.50	3,742.62
Used Vehicle	225.84	94.13	16.44	7.78
Personal Loans*	100.93	-	-	-
Total	**68,421.62**	**56,491.08**	**51,297.19**	**52,008.92**
Secured credit exposure	68,320.69	56,491.08	51,297.19	52,008.92
Unsecured credit exposure	100.93	-	-	-

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

Product-wise LTV on Gross AUM on Origination basis (%)

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in percentage)			
New Vehicle Loans				
Two-wheeler	77.79%	79.00%	78.86%	78.23%
Three-wheeler*	76.69%	88.14%	N.A.	N.A.
Top-up loans	58.82%	55.64%	63.42%	57.00%
Used Vehicle	49.84%	56.63%	48.42%	49.23%
Personal Loans*	0.00%	N.A.	N.A.	N.A.

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

Product-wise tenure of AUM (in months, on origination)

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in months)			
New Vehicle Loans				
Two-wheeler	26.66	26.91	27.13	27.51
Three-wheeler*	28.38	36.00	-	-
Top-up loans	19.47	19.18	20.11	18.82
Used Vehicle	20.38	23.50	20.29	24.00
Personal Loans*	20.66	-	-	-

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

Product-wise gross NPA

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs)			
New Vehicle Loans				
Two-wheeler	2,423.73	2,076.60	2,033.12	1,205.60
Three-wheeler*	-	-	-	-
Top-up loans	280.81	289.87	416.92	272.51
Used Vehicle	66.27	2.21	-	-
Personal Loans*	-	-	-	-
Total	**2,770.81**	**2,368.68**	**2,450.04**	**1,478.11**

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

Product-wise % of Gross NPA

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in percentage)			
New Vehicle Loans				
Two-wheeler	3.69%	3.50%	4.39%	2.42%
Three-wheeler*	0.00%	0.00%	N.A.	N.A.
Top-up loans	6.06%	7.62%	12.82%	8.72%
Used Vehicle	23.61%	1.29%	0.00%	0.00%
Personal Loans*	0.00%	N.A.	N.A.	N.A.
% Gross NPA	3.90%	3.74%	4.94%	2.79%

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

AUM by rate method

Type of Loan	As and for six months ended September 30, 2023		As of and for Fiscal					
			2023		2022		2021	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
	(Figures in Lakhs)							
Fixed	73,373.41	100.00%	**63,368.90**	100.00%	49,582.62	100.00%	**53,011.75**	100.00%
Floating	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	**73,373.41**	**100%**	**63,368.90**	**100%**	**49,582.62**	**100%**	**53,011.75**	**100%**

Product-wise disbursement

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs)			
New Vehicle Loans				
Two-wheeler	20,886.59	37,947.85	24,267.88	24,124.94

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs)			
Three-wheeler*	254.80	33.31	-	-
Top-up loans	2,645.19	4,490.09	4,778.03	2,617.59
Used Vehicle	156.09	198.23	14.32	18.66
Personal Loans*	101.87	-	-	-
Total	**24,044.54**	**42,669.48**	**29,060.23**	**26,761.19**
Secured credit exposure	23,942.67	42,669.48	29,060.23	26,761.19
Unsecured credit exposure	101.87	-	-	-

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

Product-wise average ticket size on disbursement

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(in ₹)			
New Vehicle Loans				
Two-wheeler	76,716	76,931	72,809	71,543
Three-wheeler*	1,43,146	2,22,067	-	-
Top-up loans	54,529	50,018	54,869	50,059
Used Vehicle	52,029	64,782	46,187	54,888
Personal Loans*	50,683	-	-	-

** Three-wheeler loans were started from Fiscal 2023 and Personal loans were started from July 2023.*

Gross Loans by state/ territory

States	As and for six months ended September 30, 2023		As of and for Fiscal					
			2023		2022		2021	
	Amount of AUM	% of total AUM	Amount of AUM	% of total AUM	Amount of AUM	% of total AUM	Amount of AUM	% of total AUM
	(₹ in lakhs, except percentages)							
Chhattisgarh	2,020.27	2.85%	958.63	1.51%	-	0.00%	-	-
Gujarat	20,610.52	29.05%	16,860.59	26.61%	9,686.82	19.54%	5,098.15	9.62%
Maharashtra	45,359.26	63.92%	43,664.91	68.91%	38,924.66	78.50%	47,275.13	89.18%
Madhya Pradesh	25.67	0.04%	-	-	-	-	-	-
Rajasthan	2,943.52	4.15%	1,884.76	2.97%	971.14	1.96%	638.48	1.20%
Total	**70,959.23**	**100.00%**	**63,368.90**	**100.00%**	**49,582.62**	**100.00%**	**53,011.76**	**100.00%**

Non-GAAP Reconciliations

Below are the Non-GAAP measures presented in this section:

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and per share data)			
Average Cost of Borrowing				

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and per share data)			
Adjusted Finance costs (A)	3,536.24	5,541.95	4,639.15	5,066.61
Debt securities	6,388.11	2,656.93	1,499.92	3,833.33
Borrowings (other than debt securities)	58,734.45	56,936.08	37,939.81	36,634.22
Others (Subordinated Liabilities)	-	-	-	-
Total Borrowings (B) (1)	65,122.56	59,593.01	39,439.73	40,467.55
Average Total Borrowing (C) (2)	62,357.79	49,516.37	39,953.64	39,899.15
Average Cost of Borrowing (D=A/C*100)	5.67%	11.19%	11.61%	12.70%
Net NPA (3) on Gross Loan Book (4) and Provision Coverage Ratio				
Gross NPA (5) (A)	2,770.81	2,368.68	2,450.04	1,478.11
Less: Provision against NPA (B)	526.45	378.99	318.51	221.60
Net NPA (3) (C=A-B)	2,244.36	1,989.69	2,131.53	1,256.51
AUM (4) (D)	70,959.23	63,368.90	49,582.62	53,011.75
Net NPA (3)/ Gross Loan Book (4) (E=C/D*100)	3.16%	3.14%	4.30%	2.37%
Provision Coverage Ratio %	19.00%	16.00%	13.00%	14.99%
Net Worth				
Equity share capital (A)	1,255.65	1,255.65	1,255.65	1,255.65
Other equity (B)	17,279.73	15,587.48	13,918.73	12,937.56
Net Worth (C=A+B)	18,535.38	16,843.13	15,174.38	14,193.21
Return on Equity (6)				
Profit for the period (A)	1,680.36	1,658.01	974.02	936.33
Average Total Equity (7) (B)	17,689.25	16,008.75	14,683.79	13,717.07
Return on Equity (C=A/B*100)	9.50%	10.36%	6.63%	6.83%
Total Borrowings to Equity Ratio (8)				
Debt securities (A)	6,388.11	2,656.93	1,499.92	3,833.33
Borrowings (Other than debt securities) (B)	58,734.45	56,936.08	37,939.81	36,634.22
Subordinated Liabilities (C)	-	-	-	-
Total Borrowings (1) (D=A+B+C)	65,122.56	59,593.01	39,439.73	40,467.55
Total Equity (E)	18,535.38	16,843.13	15,174.38	14,193.21
Total Borrowings to Equity Ratio (D/E)	3.51	3.54	2.60	2.85
Operating Expenses to Revenue from Operations (9)				
Total Revenue from Operation (A)	8,828.86	13,331.64	10,659.06	10,565.63
Interest on lease liabilities (B)	59.24	119.94	19.44	32.21
Employees benefits expense (C)	1,678.99	2,799.86	2,287.14	1,907.36
Impairment on financial instruments (D)	479.65	831.31	1,003.59	770.25
Depreciation and amortisation expense (E)	225.93	444.64	379.24	362.81
Fees and commission and Other expenses (F)	715.37	1,315.35	1,067.10	1,151.48
Operating Expenses (G=B+C+D+E+F)	3,159.18	5,511.10	4,756.51	4,224.11
Operating Expenses to Net Income (H=G/A*100)	35.78%	41.34%	44.62%	39.98%
Return on Total Average Assets				
Profit for the period (A)	1,680.36	1,658.01	974.02	936.33
Total Assets (B)	85,930.99	78,724.75	56,145.80	55,540.20
Average total assets (C)	82,327.87	67,435.27	55,843.00	54,592.74

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and per share data)			
Return on Total Average Assets (D=A/C*100)	2.04%	2.46%	1.74%	1.72%
Operating Expenses to Average Total Assets (10)				
Interest on lease liabilities (A)	59.24	119.94	19.44	32.21
Employee benefits expense (B)	1,678.99	2,799.86	2,287.14	1,907.36
Impairment on financial instruments (C)	479.65	831.31	1,003.59	770.25
Depreciation and amortisation expense (D)	225.93	444.64	379.24	362.81
Fees and commission and Other expenses (E)	715.37	1,315.35	1,067.10	1,151.48
Operating expenses (F=A+B+C+D+E)	3,159.18	5,511.10	4,756.51	4,224.11
Average total assets (E)	82,327.87	67,435.27	55,843.00	54,592.74
Operating Expenses to Average Total Assets (F=D/E*100)	3.84%	8.17%	8.52%	7.74%
Credit Cost (11) to Average Total Assets				
Impairment on financial instruments (A)	479.65	831.31	1,003.59	770.25
Average Total Assets (12) (B)	82,327.87	67,435.27	55,843.00	54,592.74
Credit Cost to Average Total Assets (C=A/B)	0.58%	1.23%	1.80%	1.41%
Average Yield on Gross Loan Book (13)				
Interest on Loans (14) (A)	7,401.74	12,496.17	9,397.99	9,665.27
Average Loans (B)	67,164.07	56,475.76	51,297.19	52,008.92
Average Yield on Gross Loan Book (C=A/B*100)	11.02%	22.13%	18.32%	18.58%
Net Interest Margin to Average Total Assets				
Interest on Loans (14) (A)	7,401.74	12,496.17	9,397.99	9,665.27
Finance Costs (B)	3,536.24	5,541.95	4,639.15	5,066.61
Net Interest Margin on loans (15) (C=A-B)	3,865.50	6,954.22	4,758.84	4,598.66
Average Total Assets (12) (D)	82,327.87	67,435.27	55,843.00	54,592.74
Net Interest Margin to Average Total Assets (E=C/D*100)	4.70%	10.31%	8.52%	8.42%
Net asset value per equity share (16)				
Total Equity (A)	18,535.38	16,843.13	15,174.38	14,193.21
Weighted Average Number of Equity Shares (B)	376.69	376.69	376.69	376.69
Net asset value per equity share (C=A/B)	49.21	44.71	40.28	37.68
Operating Expenses				
Interest on lease liabilities (A)	59.24	119.94	19.44	32.21
Employees benefits expense (B)	1,678.99	2799.86	2,287.14	1,907.36
Impairment on financial instruments (C)	479.65	831.31	1,003.59	770.25
Depreciation and amortisation expense (D)	225.93	444.64	379.24	362.81
Fees and commission and Other expenses (E)	715.37	1,315.35	1,067.10	1,151.48
Operating Expenses (F=A+B+C+D+E)	3,159.18	5,511.10	4,756.51	4,224.11
Total Borrowings (1) to Net Worth				
Debt securities	6,388.11	2,656.93	1,499.92	3,833.33
Borrowings (other than debt securities)	58,734.45	56,936.08	37,939.81	36,634.22

Particulars	As of and for the six months ended September 30, 2023	As of and for Fiscal		
		2023	2022	2021
	(₹ in lakhs, except percentages and per share data)			
Subordinated Liabilities	-	-	-	-
Total Borrowings(1) (A)	65,122.56	59,593.01	39,439.73	40,467.55
Equity share capital	1,255.65	1,255.65	1,255.65	1,255.65
Other Equity	17,279.73	15,587.48	13,918.73	12,937.56
Net Worth (B)	18,535.38	16,843.13	15,174.38	14,193.21
Total Borrowings (1) to Net Worth (C=A/B)	**3.51**	**3.54**	**2.60**	**2.85**
Return on Net Worth (%) (17)				
Profit for the period (A)	1,680.36	1,658.01	974.02	936.33
Equity share capital	1,255.65	1,255.65	1,255.65	1,255.65
Other Equity	17,279.73	15,587.48	13,918.73	12,937.56
Total equity (B)	18,535.38	16,843.13	15,174.38	14,193.21
Return on Net Worth (%) (C=A/B)	9.07%	9.84%	6.42%	6.60%
Earnings before interest, tax, depreciation and amortisation (EBITDA) (18)				
Profit for the period (A)	1,680.36	1,658.01	974.02	936.33
Income Tax Expense (B)	453.15	620.65	292.26	349.39
Depreciation and amortisation expense (C)	225.93	444.64	379.24	362.81
Finance Costs (D)	3,595.48	5,661.89	4,658.59	5,098.82
Earnings before interest, tax, depreciation and amortisation (EBITDA) (E=A+B+C+D)	5,954.92	8,385.19	6,304.11	6,747.35

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), and subordinated liabilities outstanding as of the last day of the relevant period.
(2) 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.
(3) Net NPA represents the closing balance of the Net NPA of our Gross Loan Book as of the last day of the relevant period.
(4) Gross Loan book is the aggregate gross loans outstanding as of the last day of the relevant period.
(5) Gross NPA represents gross loan book pertaining to loans which are required to be classified as NPA as per the IRACP Norms issued and modified by RBI from time to time.
(6) Return on Equity is calculated as the Profit After Tax for the relevant period as a percentage of Average Total Equity in such period.
(7) Average Total Equity represents the simple average of our total equity as of the last day of the relevant period and our total equity as of the last day of the previous period.
(8) Total Borrowings to 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.
(9) Operating Expenses to Net Income represents employee benefits expense, depreciation and amortization expense & fees and commission expenses, impairment of financial instruments and other expenses for the relevant period to total revenue from Operation for relevant period, represented as a percentage.
(10) Operating Expenses to Average Total Assets represents operating expenses for the relevant period upon the simple average of our total assets as of the last day of the relevant period and our total assets as of the last day of the previous period, represented as a percentage.
(11) Credit Cost represents impairment on financial instruments for the relevant period.
(12) Average Total Assets represents the simple average of our Total Assets as of the last day of the relevant period and our Total Assets as of the last day of the previous period.
(13) Average Yield on Gross Loan Book represents the interest income for a period to the average Gross Loan Book for the period, represented as a percentage.
(14) Interest on loans assets represents interest income earned on loans including income on direct assignment.
(15) Net Interest Income on loans represents interest income on loan book less finance costs, for the relevant period.
(16) Net asset value per equity share (NAV) is Net Worth as at the end of the relevant period divided by weighted average number of equity shares outstanding at the end of the relevant period.
(17) Return on Net Worth (RoNW) is computed as the profit for the period divided by our Total Equity as of the last day of the relevant period, represented as a percentage.
(18) EBITDA is calculated as profit for the period plus income tax expense, depreciation and amortization expense, and finance costs.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To
The Board of Directors
Manba Finance Limited
324, Runwal Heights,
L.B.S. Marg, Opp Nirmal Lifestyle,
Mulund West, Mumbai – 400 080
(CIN: U65923MH1996PLC099938)

Dear Sirs / Madam,

1. We have examined the attached Restated Financial Information of **Manba Finance Limited** (the "**Company**"), comprising the restated statement of assets and liabilities as at September 30,2023, March 31,2023, March 31,2022 and March 31,2021, the restated statements of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated statement of cash flows for the six months period ended September 30, 2023 and for the year 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 February 14,2024 for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") prepared by the management of the Company ("the Management") in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a. section 26 of Part I of Chapter III of the Companies Act, 2013 including Rules thereon, as amended (the "Act");
    b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("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 the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited (collectively, "Stock Exchanges"), and Registrar of Companies, Maharashtra (as applicable), in connection with the proposed IPO. The Restated Financial Information have been prepared by the Management on the basis of preparation stated in note 2.2 to the Restated Financial Information. The responsibilities of the Board of Directors of the Company include 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 February 6, 2024 in connection with the proposed 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. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.

4. These Restated Financial Information have been compiled by the Management from:

a. The audited interim financial statements of the Company as at and for the six months period ended September 30,2023 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" 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 (Collectively, the " Special purpose Interim financial statements"), which have been approved by the Board of Directors at their meeting held on February 12, 2024

b. Audited Financial Statements of the Company as at and for the year ended March 31, 2023 and March 31,2022 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors in their meeting held on June 19,2023 and July 23,2022 respectively.

c. The audited special purpose financial statements of the Company as at and for the year ended March 31,2021 , which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on February 12, 2024.

5. For the purpose of our examination, we have relied on:

a. Auditor's report issued by us dated February 12,2024 on the interim financial statements of the Company as at and for the six months period ended September 30, 2023 as referred in paragraph 4(a) above, which includes Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

"Basis of preparation and restriction on distribution and use:
We draw attention to Note 2.1 to the Interim Financial Statements, which describes the purpose and basis of preparation. The Interim Financial Statements have been prepared by the Company solely for the purpose of preparation of the Restated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus (the 'DRHP") in connection with the proposed initial public offering of the Company. As a result, the Interim Financial Statements may not be suitable for any other purpose. The Interim Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Financial Information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

b. Auditor's report issued by us dated June 19,2023 on the financial statements of the Company for the year ended March 31,2023 as referred in paragraph 4(b) above, which includes Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

1. We draw attention to Note 40 to the Standalone Financial Statements in which the Company describes the expected credit loss on loans, reconciliation of loss allowance provisions and reconciliation of gross carrying amount. Our opinion is not modified in respect of this matter.

2. We draw attention to Note 41 to the Standalone Financial Statements in which the Company describes the fair values of financial assets and financial liabilities. Our opinion is not modified in respect of this matter.

3. We draw attention to Note 44 & 45 to the Standalone Financial Statements in which the Company describes the maturity analysis of assets and liabilities. Our opinion is not modified in respect of this matter.

c. Auditor's report issued by us dated February 12,2024, on the special purpose financial statements of the Company as at and for the year ended March 31, 2021 as referred in paragraph 4(c) above, which includes Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

Basis of preparation and restriction on distribution and use:

We draw attention to Note 2.1 to the Special Purpose Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Ind AS Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus (the "DRHP") and the Prospectus (collectively, the "Offer Documents") in connection with the proposed initial public offering of the Company. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The Special Purpose Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Financial Information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

d. Auditors' report issued by, ATMS & Co LLP, Chartered Accountants ("the Previous Auditor") dated July 23, 2022, on the financial statements for the years ended March 31,2022, as referred in paragraph 4 (b) above, which includes Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

We draw attention to note no. 43 (B) (i) and note no. 47 to the standalone financial statements in which the company describes the continuing uncertainties arising from COVID-19 pandemic. Our opinion is not modified in respect of this matter.

e. Auditors' report issued by, ATMS & Co LLP, Chartered Accountants ("the Previous Auditor") dated August 14, 2021, on the financial statements for the years ended March 31, 2021 respectively, as referred in paragraph 4(d) above, which includes Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

We draw attention to Note 13 to the financial statements, which describes the uncertainties arising from COVID-19 pandemic and impacting the company's operations and estimates related to recovery of loans, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

The audited financial statement as at and for the year ended March 31, 2021 and March 31, 2022 and the Previous Auditors' report thereon have been furnished to us by the Company. Since the audited financial statements for the year ended March 31, 2021 had been prepared in accordance with Indian GAAP, the

Special Purpose Ind AS financial statements for the year ended March 31, 2021 have been prepared by the Company and the Audit report thereon was furnished by us. At the Company's request, we have examined and reported on the restated financial information as at and for the year ended March 31, 2021 and March 31, 2022. The adjustments in the Restated Financial Information with respect to the audited financial statements as at and for the year ended March 31, 2021 and March 31, 2022 in so far as they relate to the amounts, disclosures, material errors, regrouping, reclassification, etc., are restricted to and based solely on such audited financial statements and the Previous Auditors' report thereon. We have not performed any additional procedures other than those stated herein and do not accept any responsibility of whatsoever nature in this regard.

6. The audit reports on the financial statements issued by us/previous auditor were unmodified.

7. Based on our examination and according to the information and explanations given to us, and based on the reliance placed on auditor's report issued by other auditors as mentioned in paragraph 5 above, 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, if any, retrospectively in the respective financial years to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period year ended September 30,2023;
   b. there are no qualifications in the auditors' reports on the audited financial statements of the Company for the stub period ended on September 30, 2023 as at and for the years ended 31 March 2023, 2022 and 2021 which require any adjustments to the Restated Financial Information. There is an Emphasis of Matter (refer paragraph 5 above), which does not require any adjustment to the Restated Financial Information;
   c. do not require any adjustment for modification as there is no modification in the underlying audit reports; and
   d. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on Ind AS financial statements and audited financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the previous auditors, 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 examination report for events and circumstances occurring after the date of this report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock Exchanges, and Registrar of Companies, Maharashtra, as applicable in connection with the proposed 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 Venus Shah & Associates
Chartered Accountants
Firm's Registration No. 120878W

Venus B. Shah
Membership No.: 109140

Place: Mumbai
Date: February 14, 2024
UDIN: 24109140BKFTJE5320

MANBA FINANCE LIMITED

RESTATED STATEMENT OF ASSETS AND LIABILITIES **(Rs. in lakhs)**

Particulars	Notes	As at 30th Sept 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS					
I.Financial Assets					
Cash and cash equivalents	6	4,180.22	6,237.99	3,198.39	453.93
Bank balance other than cash and cash equivalents	7	5,917.99	4,624.53	1,805.57	921.53
Loans	8	69,634.20	62,331.61	48,267.35	51,978.44
Investments	9	2,627.08	1,835.99	8.04	5.00
Other financial assets	10	799.10	933.03	1,080.45	225.84
Total Financial Assets		**83,158.59**	**75,963.15**	**54,359.80**	**53,584.74**
II.Non- financial Assets					
Current tax assets (net)	11	-	-	19.52	-
Deferred tax assets (net)	12	220.96	147.21	202.25	161.37
Property, plant and equipment	13	885.11	970.13	1,131.97	1,217.69
Other intangible assets	14	88.51	79.84	53.79	103.05
Right of use of assets	15	1,056.32	1,117.85	92.80	261.30
Other non-financial assets	16	521.49	446.57	285.67	212.05
Total Non- financial Assets		**2,772.40**	**2,761.60**	**1,786.00**	**1,955.46**
TOTAL ASSETS		**85,930.99**	**78,724.75**	**56,145.80**	**55,540.20**
LIABILITIES AND EQUITY					
LIABILITIES					
I.Financial Liabilities					
Trade payables					
- total outstanding dues of micro enterprises and small enterprises		-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	17	642.73	748.03	1,200.80	225.84
Debt securities	18	6,388.11	2,656.93	1,499.92	3,833.33
Borrowings (other than debt securities)	19	58,734.45	56,936.08	37,939.81	36,634.22
Lease liabilities	20	1,133.46	1,166.71	104.42	281.14
Other financial liabilities	21	141.21	94.80	59.02	126.93
Total Financial Liabilities		**67,039.96**	**61,602.55**	**40,803.97**	**41,101.46**
II.Non-Financial Liabilities					
Current tax liabilities (net)	11	200.03	46.33	-	110.42
Provisions	22	118.09	116.81	95.02	67.54
Other non-financial liabilities	23	37.53	115.93	72.43	67.57
Total Non-Financial Liabilities		**355.65**	**279.07**	**167.45**	**245.53**
EQUITY					
Equity share capital	24	1,255.65	1,255.65	1,255.65	1,255.65
Other Equity	25	17,279.73	15,587.48	13,918.73	12,937.56
		18,535.38	**16,843.13**	**15,174.38**	14,193.21
TOTAL LIABILITIES AND EQUITY		**85,930.99**	**78,724.75**	**56,145.80**	**55,540.20**

Corporate Information and Significant Accounting Policies 1-5

The accompanying notes form an integral part of the restated financial Information

As per our report of even date
For Venus Shah & Associates
Chartered Accountants
Firm registration number - 120878W

Venus B. Shah
Partner
Membership No. - 109140
UDIN- 24109140BKFTJE5320

For and on bahalf of the Board of Director of
Manba Finance Limited
CIN : U65923MH1996PLC099938

Manish K. Shah
Managing Director
DIN -00979854

Monil M. Shah
Director
DIN -07054772

Jay K. Mota
Director & CFO
DIN -03105256

Bhavisha A. Jain
Company Secretary

Place - Mumbai
Date - 14.02.2024

Place - Mumbai
Date - 14.02.2024

MANBA FINANCE LIMITED

RESTATED STATEMENT OF PROFIT AND LOSS ACCOUNT **(Rs. in lakhs)**

Particulars	**Notes**	**Half year ended 30th Sept 2023**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Revenue from operations					
Interest income	26	7,401.74	12,496.17	9,397.99	9,665.27
Other operating income	27	1,427.12	835.47	1,261.07	900.36
Total revenue from operations		**8,828.86**	**13,331.64**	**10,659.06**	**10,565.63**
Other income	28	0.07	0.07	2.88	10.80
Total income		**8,828.93**	**13,331.71**	**10,661.94**	**10,576.43**
Expenses					
Finance costs	29	3,595.48	5,661.89	4,658.59	5,098.82
Impairment on financial instruments	30	479.65	831.31	1,003.59	770.25
Employee benefit expense	31	1,678.99	2,799.86	2,287.14	1,907.36
Depreciation, amortisation and impairment	32	225.93	444.64	379.24	362.81
Other expenses	33	715.37	1,315.35	1,067.10	1,151.48
Total expenses		**6,695.42**	**11,053.05**	**9,395.66**	9,290.72
Profit before taxes		2,133.51	2,278.66	1,266.28	1,285.71
Tax expenses					
- Current tax	12	530.88	569.22	335.52	430.01
- Deferred tax	12	(77.73)	51.42	(43.27)	(80.62)
		453.15	**620.65**	**292.26**	349.39
Profit for the year		**1,680.36**	**1,658.01**	**974.02**	936.33
Other comprehensive income					
Items that will not be reclassified to profit or loss					
(i) Re-measurement gains / (losses) on defind benefit plans		15.81	14.39	6.47	21.34
(ii) Income tax impact		(3.98)	(3.62)	(1.63)	(5.37)
(iii) Gain on fair value of equity instruments		-	-	3.04	-
(iv) Income tax impact		-	-	(0.77)	-
Other comprehensive income for the year		**11.83**	**10.77**	**7.11**	**15.97**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**1,692.19**	**1,668.78**	**981.13**	**952.30**
Earnings per equity shares (face value - Rs. 10 per equity share)					
Basic	34	4.46	4.40	2.59	2.49
Diluted	34	4.46	4.40	2.59	2.49

Note: EPS for September 2023 is not annualized.

Corporate Information and Significant Accounting Policies 1-5

The accompanying notes form an integral part of the restated financial Information

As per our report of even date
For Venus Shah & Associates
Chartered Accountants
Firm registration number - 120878W

Venus B. Shah
Partner
Membership No. - 109140
UDIN- 24109140BKFTJE5320

Place - Mumbai
Date - 14.02.2024

For and on bahalf of the Board of Director of
Manba Finance Limited
CIN : U65923MH1996PLC099938

Manish K. Shah
Managing Director
DIN -00979854

Monil M. Shah
Director
DIN -07054772

Jay K. Mota
Director & CFO
DIN -03105256

Bhavisha A. Jain
Company Secretary

Place - Mumbai
Date - 14.02.2024

MANBA FINANCE LIMITED

RESTATED STATEMENT OF CASHFLOWS **(Rs. In Lakhs)**

Particulars	**Half year ended 30th Sept 2023**	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary items	2,133.51	2,278.66	1,266.28	1,285.71
Adjustments for:				
(+)Depreciation	97.60	199.95	203.31	187.88
(+) Provision	17.09	36.18	33.95	64.08
(-)Profit on sale of fixed assets	-	-	-	(0.99)
(-) Income from Investment (FVTPL)	(935.85)	-	3.04	-
Subtotal	**1,312.35**	**2,514.79**	**1,506.58**	**1,536.68**
(-)Dividend Received	-	-	-	-
(-)Income Tax Paid	530.88	569.22	335.52	430.01
Operating Profit before Working Capital Changes	**781.47**	**1,945.57**	**1,171.06**	**1,106.67**
(Increase)/Decrease in Current Assets	120.54	(1,019.01)	(779.25)	101.81
Increase/(Decrease) in Current Liabilities & Trade Payables	(16.84)	735.13	624.77	(236.92)
(Inrease)/Decrease in Loans given	(7,302.59)	(14,064.26)	3,711.09	(1,678.78)
Net Cash Flow from Operating activities	**(6,417.42)**	**(12,402.57)**	**4,727.67**	**(707.22)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Asset	(180.35)	(68.18)	(69.82)	(132.10)
Sale of fixed assets	159.10	4.03	1.53	2.84
Purchase of Investments	-	(1,827.95)	(3.04)	-
Sale of Investments	144.76	-	-	-
Other Income	-	-	-	-
Net Cash used in investing activities	**123.51**	**(1,892.10)**	**(71.33)**	**(129.26)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	-	-	-	-
Proceeds from/(repayment of) Borrowings	5,529.55	20,153.28	(1,027.82)	1,136.81
Loans and Advances Given	-	-	-	-
Net Cash from Financing Activities	**5,529.55**	**20,153.28**	**(1,027.82)**	**1,136.81**
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	**(764.36)**	**5,858.60**	**3,628.52**	**300.34**
Cash and cash equivalents at the beginning of the year	10,862.53	5,003.98	1,375.46	1,075.13
Cash and cash equivalents at the close of the year	10,098.17	10,862.58	5,003.98	1,375.47

Corporate Information and Significant Accounting Policies 1-5

The accompanying notes form an integral part of the restated financial Information

As per our report of even date
For Venus Shah & Associates
Chartered Accountants
Firm registration number - 120878W

For and on bahalf of the Board of Director of
Manba Finance Limited
CIN : U65923MH1996PLC099938

Venus B. Shah
Partner
Membership No. - 109140
UDIN- 24109140BKFTJE5320

Manish K. Shah
Managing Director
DIN -00979854

Monil M. Shah
Director
DIN -07054772

Jay K. Mota
Director & CFO
DIN -03105256

Bhavisha A. Jain
Company Secretary

Place - Mumbai
Date - 14.02.2024

Place - Mumbai
Date - 14.02.2024

MANBA FINANCE LIMITED
STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

Summarized below the restatement adjustment made to the audited financial statements for the year ended 31 March 2021, 31 March 2022 and 31 March 2023 and September 2023 their impact on equity and the profit of the Company:

I Reconciliation of the opening balance of equity

Particulars	For the year ended 31 March 2021
Opening Balance as per Audited Financials	12,114.27
Expenses pertaining to March 20 booked in March 21	(5.74)
Earlier years short provision for Current Tax	(184.81)
Prior Period GST Expense	(18.45)
Amortisation of Dealer Incentive	80.02
	11,985.29

II. Statement of Impact of restatement adjustments on statement of profit and loss

Reconciliation between Audited profit and Restated profit

Particulars	For the half year ended 30 September 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Total comprehensive income as per audited financial statements	1642.66	1,532.19	950.08	922.95
Change in Finance Cost	-	-	-	(5.74)
Change in Impairment on financial instruments	-	(0.22)	(3.34)	7.86
Change in Employee Benefit Expense	-	-	-	14.77
Change in other Expenses	(58.05)	(176.61)	(60.64)	(96.34)
Change in current Tax	8.53	40.23	32.92	50.10
Total comprehensive income as per restated financial statements	**1,692.19**	**1,668.78**	**981.13**	**952.31**

III. Summary of changes due to regrouping and errors

The below table summarises the cumulative effect of changes due to regrouping and errors to the restated financial information as at and for the half year ended 30th September 2023 and year ended 31March 2023, 31 March 2022 and 31 March 2021:

<u>Impact on financial statement line item in Restated Statement of Profit and Loss:</u>

For the year ended 31st March 2021:

Particulars	As per audited financial statements	Changes due to regrouping	Changes due to errors	As per restated financial information	Refer Note for Changes due to regrouping and errors
Income					
Interest income	9,631.95	33.32		9665.27	**(a)**
Other operating income	813.59	86.77		900.36	**(b)**
Other income	142.20	(131.40)		10.8	**(b)**
Expense					
Finance costs	5,104.57	-	(5.74)	5,098.82	**(c.)**
Impairment on financial instruments	245.51	516.88	7.86	770.25	**(d) & (e.)**
Employee benefit expense	1,892.59	-	14.77	1,907.36	**(f)**
Other expenses	1,776.00	(528.18)	(96.34)	1,151.48	**(f) & (g)**
Current Tax	379.90		50.10	430.01	**(i)**
			29.35		

MANBA FINANCE LIMITED
STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

For the year ended 31st March 2022:

	As per audited financial statements	Changes due to regrouping	Changes due to errors	As per restated financial information	Refer Note for Changes due to regrouping and errors
Income					
Other operating income	1066.58	194.49	-	1261.07	**(b)**
Other income	237.87	(234.99)		2.88	**(b)**
Expense					
Impairment on financial instruments	282.22	730.31	(3.34)	1,003.59	**(d),(e.) & (h)**
Other expenses	1,892.95	(770.81)	(60.64)	1,067.10	**(d),(e.),(g) & (h)**
Current Tax	302.60		32.92	335.52	**(i)**
			31.05		

For the year ended 31st March 2023:

	As per audited financial statements	Changes due to regrouping	Changes due to errors	As per restated financial information	Refer Note for Changes due to regrouping and errors
Income					
Other operating income	442.32	393.15		835.47	**(b)**
Other income	446.40	(446.33)		0.07	**(b)**
Expense					
Impairment on financial instruments	481.75	349.77	(0.22)	831.31	**(d) & (e.)**
Other expenses	1,894.91	(402.95)	(176.61)	1,315.35	**(d),(e.),(g) & (h)**
Current Tax	528.99		40.23	569.22	**(i)**
			136.59		

For the half year ended 30th September 2023:

	As per audited financial statements	Changes due to regrouping	Changes due to errors	As per restated financial information	Refer Note for Changes due to regrouping and errors
Income					
Other operating income	261.05	1,166.07		1,427.12	**(b)**
Other income	1,166.14	(1,166.07)		0.07	**(b)**
Expense					
Other expenses	769.12		(58.05)	715.37	**(h) & (e.)**
Current Tax	522.35		8.53	530.88	**(i)**
			49.53		

Notes for Changes due to regrouping and errors

(a) Interest Income was included in Miscellaneous Income. Under restatement it is regrouped to Finance Charges

(b)Interest on FD, Commission Income and Interest on Security Deposit was earlier put under other Income but it is directly nexus with our operating Income so regrouped it to other operating Income.

(c.) Expenses which belongs to the period March 20 but booked in March 21

(d) Loss on Seize vehicle earlier treated under other Expenses but now it is regrouped Under Impairment on Financials Instrument. As it is a part of Impairment on the loans

(e) Short provision of expenses where booked earlier , now the required provision are made and reversed in next period

(f) Prior period expenses booked in March 23 which pertaining to March 21 now it is booked in March 21 and reversed in March 23

(g) Incentive to dealer earlier it was directly booked in the Expense but now we have applied the impact of Ind As and amortised over the average tenure of the loan

(h) Reimbursement of Expenses included in the Miscellenious Income now regrouped to Other Expenses

(i) Provision for current tax addionally booked for the changes

MANBA FINANCE LIMITED

NOTES TO RESTATED FINANCIAL STATEMENTS

1 Corporate Information

The Company is a registered non-banking finance company engaged in the business of providing finance. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 07-04-1998, with Registration No. 13.00610. The Company primarily deals in the financing of New 2Ws, 3Ws, EV2Ws, EV3Ws and personal loan. The Company is having its head office at Mumbai and currently having 58 locations as on 30th September 2023.The Restated Financial Statement approved for issue in accordance with the of the Board of Director on 14th February, 2024

2.1 Statement of compliance

The financial statements 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

2.2 Basis of preparation

The Restated Financial Information of the Company, comprises of the Restated Statements of Assets and Liabilities as at September 30, 2023, March 31, 2023, 2022 and 2021, the Restated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Statements of Cash Flows and the Restated Statements of Changes in Equity for the six months period ended September 30, 2023 and for the years ended March 31, 2023, 2022 and 2021, the Significant Accounting Policies, and other explanatory information (collectively, the ‘Restated Financial Information’).

These Restated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the “Offer Documents”) to be filed with the Registrar of Companies, Maharashtra at Mumbai (“RoC”), the Securities and Exchange Board of India (“SEBI”) and BSE Limited (the “BSE”) and National Stock Exchange of India Limited (the “NSE”) (BSE and NSE together, the “Stock Exchanges”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”) prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the “Guidance Note”) read with the general directions dated October 28, 2021, letter dated November 18, 2021 and email dated December 18, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the “SEBI Communications”), as applicable.

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards notified under section 133 of the Companies Act, 2013, as amended (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") with effect from April 01, 2021. Accordingly, the transition date for adoption of Ind AS is April 01, 2020.

These Restated Financial Information have been compiled by the Management from:

(a) the audited special purpose interim financial statements of the Company as at and for the six month period ended September 30, 2023 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 “Interim Financial Reporting” (Indian Accounting Standards referred to as “Ind AS”) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India (the “Special Purpose Interim Financial Statements”), which have been approved by the Board of Directors at their meeting held on February 12, 2024.

(b) the audited Ind AS financial statements of the Group as at and for the year ended March 31, 2022 and March 31, 2023 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India (the “ Ind AS Financial Statements”), which have been approved by the Board of Directors at their meeting held on July 23, 2022 and June19, 2023.

(c) the special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2021 (the “Special Purpose Ind AS Financial Statements”) prepared in accordance with basis explained in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on February 12, 2024.

As such, The Special Purpose Ind AS Financial Statements are prepared considering the accounting principles stated in Ind AS, as adopted by the Company and described in subsequent paragraphs.

The Special Purpose Ind AS Financial Statements have been prepared solely for the purpose of preparation of the Restated Financial Information for inclusion in Offer Documents in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, these Special Purpose Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of the Restated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

Subsequent to six months period ended September, 2023 and years ended March 31, 2023, 2022 and 2021, pursuant to a resolution passed in extra-ordinary general meeting dated January 4, 2024, shareholders had approved the issuance of bonus shares to the equity shareholders in the ratio of 2:1. As required under Ind AS 33 “Earning per share” the effect of such bonus was required to be adjusted for the purpose of computing earning per share for the six month period ended September 30, 2023 and years ended March 31, 2023, 2022 and 2021. As a result, the effect of bonus has been considered in these Restated Financial Information for the purpose of calculating of earning per share (Refer Note No. 34 of the Restated Financial Information).

The accounting policies have been consistently applied by the company in preparation of the Restated Financial Information and are consistent with those adopted in the preparation of financial statements for the six months period ended September 30, 2023.

These Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Special Purpose Interim Financial Statements, the Ind AS financial statements, the Special Purpose Ind AS Financial Statement and the Statutory Indian GAAP Financial Statement except for those mentioned above.

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 financial years ended March 31, 2023, 2022, and 2021, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six months period ended September 30, 2023, as applicable;

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports on the Special Purpose Interim Financial Statements, the Ind AS Financial Statements and the Special Purpose Ind AS Financial Statements referred in preceding paragraphs.

These Restated Financial Information were approved in accordance with a resolution of the directors on February 14, 2024.

The Restated Financial Information are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

Change in Accounting Policy for Amortization of Dealer Commissions and Associated Costs

In the course of our financial review and in compliance with Ind AS 115 on Revenue Recognition, we have retrospectively adjusted our accounting policy for the recognition of dealer commissions, dealer incentives, and processing fees to dealers. This change is in accordance with IndAS 8, which requires changes in accounting policies and corrections of prior period errors to be carried out retrospectively.

Pursuant to paragraph 19 of IndAS 8, the entity has accounted for this change in accounting policy retrospectively, as there are no specific transitional provisions applying to this change within IndAS 115. Consequently, the opening balances of affected components of equity for the earliest prior period presented and other comparative amounts have been adjusted as if the new accounting policy had always been applied, in accordance with paragraph 22 of IndAS 8.

The table below presents the financial impact of this change for the financial years 2020-21, 2021-22 and 2022-23, in a manner that reflects the systematic allocation of these costs over the average tenure of the loans, determined to be 27 months:

(Rs. in Lakh)

Balance Sheet	31 March 2023(without considering the effect of change in accounting policy)	Increase/(decrease) due to change in accounting policy	31 March 2023(after considering the effect of change in accounting policy)	31 March 2022(without considering the effect of change in accounting policy)	Increase/(decrease) due to change in accounting policy	31 March 2022(after considering the effect of change in accounting policy)	31 March 2021(without considering the effect of change in accounting policy)	Increase/(decrease) due to change in accounting policy	31 March 2021(after considering the effect of change in accounting policy)
Trade Payables	1,148.28	-400.25	748.03	1,440.30	-239.50	1,200.80	402.76	-176.92	225.84
Total Financial Liabilities	62,002.80	-400.25	61,602.55	41,043.47	-239.50	40,803.97	40,924.55	-176.92	41,101.46
Total Equity	17,243.38	400.25	16,843.13	15,413.88	239.50	15,174.38	14,016.29	176.92	14,193.21
Total Liabilities and Equity	78,724.75	-	78,724.75	56,126.28	-	56,126.28	55,540.20	-	55,540.20

(Rs. In Lakh)

Statement of profit and loss	31 March 2023(without considering the effect of change in accounting policy)	Increase /(decrease) due to change in accounting policy	31 March 2023(after considering the effect of change in accounting policy)	31 March 2022(without considering the effect of change in accounting policy)	Increase/(decrease) due to change in accounting policy	31 March 2022(after considering the effect of change in accounting policy)	31 March 2021(without considering the effect of change in accounting policy)	Increase /(decrease) due to change in accounting policy	31 March 2021(after considering the effect of change in accounting policy)
Other Expenses	1,476.10	-160.75	1,315.35	1,129.68	-62.58	1,067.10	1,248.38	-96.90	1,151.48
Profit for the year	2,117.91	160.75	2,278.66	1,203.70	62.58	1,266.28	1,188.81	96.90	1,285.71

(Rs. In Lakh)

Opening Balance of Other Equity as on April 1, 2020 (without considering the effect of change in accounting policy)	11905.27
Increase/(decrease) due to change in accounting policy	80.02
Opening Balance of Other Equity as on April 1, 2020 (after considering the effect of change in accounting policy)	11985.29

The adoption of this change in accounting policy from 1st April 2020, ensures the financial statements more accurately reflect the economic reality of the Company's financial transactions over the loan period. It provides users of the financial statements with reliable and relevant information about the effects of transactions, other events, or conditions on the Company's financial position, financial performance, and cash flows.

The effect of this change on future periods is expected to continue to reflect the amortization of these costs over the tenure of the loans. However, the precise quantification of the effect for future periods beyond six month period ended September 30, 2023 is not determinable at this time due to inherent variability in loan tenures and the timing of future dealer commissions.

This note is intended to provide full disclosure in accordance with IndAS 8 and should be read in conjunction with the rest of the financial statements.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is the currency of the primary economic environment in which the Company operates (the 'functional currency).

2.4 Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's expected credit loss (ECL) calculations are output of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products,
and the effect on probability of default (PD), exposure at default ("EAD) and loss given default ('LGD').

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.5 Presentation of the financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

3.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

A. Interest and dividend income

Interest income for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) are recognised in 'Interest income' in the profit or loss account using the effective interest method (EIR).

Effective Interest Rate (EIR) wherever applicable in case of a financial asset is computed as the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. It is computed by considering all contractual terms of the financial instrument in estimating the cash flows. The cash flows are estimated Including all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. Interest Income on credit impaired assets are treated to accrue only upon realisation, due to uncertainty involved in its realisation and are accounted accordingly.

Income on NPA where interest/ principal has become overdue for more than 3 months is recognized as and when received and appropriated. Any such income recognized before the assets become non performing and remaining unrealized is reversed

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

B. Fee and commission income

Fee and commission income and expense include fees other than those that are an integral part of EIR. Processing fees not considered in EIR, NACH charges, Processing Fees , Documentation fees , service income, bounce charges, penal charges and foreclosure charges, etc. are recognised on point in time basis.

Further, Disbursement income deferred over loan period

C. Net gain or fair value change

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss if any .

D. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3 Financial assets and liabilities

A) Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking worst case' or stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de-minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic tending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows

i) Financial assets carried at amortised cost ('AC`)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B) Financial liabilities

i) Initial recognition and measurement Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition.

ii) Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. The EIR amortization is included as finance costs in the statement of profit and loss.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2023 and 31 March 2022.

3.5 Derecognition of financial assets and liabilities

i) Financial assets

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes

B. Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial Instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime expected credit losses ('LTECL') (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:	When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and
Stage 3:	Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD: Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. For investments and balances with banks, the Company uses external ratings for determining the PD of respective instruments.

EAD: Exposure at Default ('EAD') is an estimate of the amount outstanding when the borrower defaults. lt is the total amount of an asset the entity is exposed to at the time of default. It is defined based on characteristics of the asset.

LGD: Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the tender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed. The mechanics of the ECL method are summarised below:

Stage 1:	The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a EAD and multiplied by the expected LGD.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.
Stage 3:	For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

3.7 Write-offs

Financial assets are written off when there are no prospects of recovery which are subject to management decision. 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 recoveries made from written off assets are netted off against the amount of financial assets written off during the year under Bad debts and write offs forming part of Impairment on financial instruments in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3.9 I) Recognition of other expense

A. Borrowing costs

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment (‘PPE’) are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:
i) Building - 60 years
ii) Office equipment - 5 years
iii) Computers - 3 years

iv) Furniture and electrical fittings - 10 years
v) Vehicles - 8 years
vi) Printers - 5 years
vii) Server - 6 years
viii) Generator-10 years
ix) Plant and Machinery -15 Years
Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset

3.12 Intangible assets

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, Less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straightline basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

Low value leases; and
Leases which are short-term.

3.15 Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of

Current income tax relating to items recognised outside profit or toss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

A deferred tax asset is recognised for the carry forward of unused tax losses and accumulated depreciation to the extent that it is probable that future taxable profit will be available against which the unused tax losses and accumulated depreciation can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity}. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3.18 Earnings per share

Basic earnings per share (EPS) is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.2 Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4.Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified any new or amendments in existing Ind AS which would be applicable with effect from April 1, 2021, other relavent notification , disclosure issued where applicable disclosed correctly

5.The Company have prepared the Restatement Financials Information as per Ind AS .

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NOTES TO RESTATED FINANCIAL INFORMATION

Note 6 - Cash and cash equivalents

(Rs. in lakhs)

Particulars	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Cash on hand	50.67	48.10	678.91	234.18
Balances with banks				
- current accounts	4,129.55	6,189.89	2,519.48	219.75
	4,180.22	**6,237.99**	**3,198.39**	**453.93**

Note 7 - Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Fixed deposit (Excluding accrued interest)**(Refer Note 7.1)**	5,824.81	4,542.22	1,756.57	885.88
FD accrued Interest	93.18	82.31	49.00	35.65
	5,917.99	**4,624.53**	**1,805.57**	**921.53**

Note 7.1 - Details of fixed deposits under lien

(Rs. in lakhs)

Particulars	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Credit enhancement in securitisation transactions	2,449.47	2,073.19	714.51	268.35
Total	**2,449.47**	**2,073.19**	**714.51**	**268.35**

Note 8 - Loans

(Rs. in lakhs)

Particulars	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Loan measures of amortised cost				
Gross term loans	70,959.23	63,368.90	49,582.62	53,011.75
Less - Unamortised Income-INDAS	(441.66)	(390.58)	(674.29)	(377.15)
Less - Impairment loss allowance	(883.37)	(646.71)	(640.98)	(656.16)
	69,634.20	**62,331.61**	**48,267.35**	**51,978.44**

Note 8.1 - Loans provided by our company in india only.

Note 9 - Investments

(Rs. in lakhs)

Particulars	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Investments in equity instruments (measured at cost) (unquoted)				
Progressive bank (50,000 equity shares of Rs. 10 each)	8.04	8.04	8.04	5.00
At fair value through profit or loss				
Investment in ARC Trust	2,619.04	1,827.95	-	
	2,627.08	**1,835.99**	**8.04**	**5.00**

Note 10 - Other financial assets

(Rs. in lakhs)

Particulars	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Security deposits	63.91	172.01	98.54	113.73
Advances to dealers	-	-	-	-
Advances to employees	8.83	8.75	12.87	17.47
Receivable from Dealer	325.44	752.27	969.04	94.64
Income Receivable (DA)	173.51	-	-	-
Muthoot & Manba ESCROW A/C	227.41	-	-	-
	799.10	**933.03**	**1,080.45**	**225.84**

MANBA FINANCE LIMITED

NOTES TO RESTATED FINANCIAL INFORMATION

Note 11 - Current tax assets/liabilities (net)

(Rs. in lakhs)

a. Current tax assets (Net)

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for tax)	-	-	19.52	-
	-	**-**	**19.52**	**-**

b. Current tax liabilities (net)

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision of Tax (Net of Advance Tax)	200.03	46.33	-	110.42
	200.03	**46.33**	**-**	**110.42**

Note 12 - Deferred tax assets (net)

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(A) Deferred tax Assets to the following -				
Deferred tax assets				
- On expected credit loss provision on loans	222.33	162.76	161.32	165.14
- On Unamortised income	111.16	95.01	169.70	94.92
- On gratuity	29.72	27.96	22.29	15.02
- On Account of Lease Ind As 116	19.41	16.92	0.79	16.56
Total deferred tax assets (A)	**382.62**	**302.66**	**354.11**	**291.64**

Deferred tax liabilities

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax liabilities				
accounts and as per income tax	38.29	47.23	57.71	64.96
- On Impact on recognition of borrowings at amortised cost using EIR	40.48	44.46	24.25	20.23
- On Interest income on non performing assets	82.88	63.76	69.14	45.08
- On Gain on fair value of equity instruments			0.77	-
Total deferred tax liabilities (B)	**161.66**	**155.45**	**151.86**	**130.28**
Deferred tax assets / (liabliity), (net) (A-B)	**220.96**	**147.21**	**202.25**	**161.37**

(B) Reconcilition of deferred tax assets / (liabilites) (net)

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	147.21	202.25	161.37	86.12
Deferred tax assets / (liabilities) recognised in statement of profit and loss	77.73	-51.42	43.27	80.62
Deferred tax assets / (liabilities) recognised in OCI	(3.98)	(3.62)	(2.39)	(5.37)
Closing balance	**220.96**	**147.21**	**202.25**	**161.37**

(C) Income tax expenses recognised in profit and loss

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
- Current tax	530.88	569.22	335.52	430.01
- Prior period income tax				
- Deferred tax charge / (income)	(77.73)	51.42	(43.27)	(80.62)
	453.14	**620.64**	**292.25**	**349.39**

(D) Income tax expenses recognised in other comprehensive income

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Net loss / (gain) on remeasurements of defind benefit plans	3.98	3.62	1.63	5.37
Net loss / (gain) on Fair Valuation of Equity	0	0	0.77	-
	3.98	**3.62**	**2.40**	**5.37**

MANBA FINANCE LIMITED

NOTES TO RESTATED FINANCIAL INFORMATION

(E) Major components of tax expenses / (income)

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Statement of profit and loss				
(a) Profit & loss section				
(i) Current tax	530.88	569.22	335.52	430.01
Current tax expenses for the year			-	-
Tax expenses for the earlier years			-	-
	530.88	**569.22**	**335.52**	**430.01**
(ii) Deferred tax				
Tax expense on origination and reversal of temporary differences	77.73	-51.42	43.27	80.62
	(77.73)	**51.42**	**(43.27)**	**(80.62)**
Income tax expenses reported in the statement of profit and loss	**453.15**	**620.65**	**292.26**	**349.39**
Other comprehensive income section - Items that will not be reclassified to profit or loss in subsequent years				
Deferred tax expenses / (income)	3.98	3.62	2.40	5.37
Income tax expenses reported in the other comprehensive income	**3.98**	**3.62**	**2.40**	**5.37**

(F) Reconciliation of tax charge

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	2133.51	2278.66	1266.28	1285.71
Income tax expenses at tax rates applicable	25.17%	25.17%	25.17%	25.17%
	536.96	**573.49**	**318.70**	**323.59**
Short provision as per Actual Tax	-6.09	-4.27	16.82	106.42
Income tax expenses	**530.88**	**569.22**	**335.52**	**430.01**
Tax effects of -				
- Disallowed expenses	-	-	-	-
- Excess provision made	-	-	-	-
- Others	-	-	-	76.31
Tax at different rate				
Deduction under chapter VIA				
Adjustments related to tax of prior years			-	-
Impact of deferred tax adjustments in statement of profit and loss	77.73	(51.42)	43.27	80.62
Impact of deferred tax adjustments in OCI	(3.98)	(3.62)	(2.39)	(5.37)
Effect on deferred tax due to change in tax rates			-	-
Tax expenses recognised in statement of profit and loss	**457.12**	**624.26**	**294.64**	**431.07**

(G) Computing corporate tax rate applicable to the Company

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Basic tax rate	22%	22%	22%	22%
Add - surchage	10%	10%	10%	10%
Add - cess	4%	4%	4%	4%
Corporate Tax rate Applicable	**25.17%**	**25.17%**	**25.17%**	**25.17%**

MANBA FINANCE LIMITED

NOTES TO RESTATED FINANCIAL INFORMATION

Note 13 - Property, plant and equipment **(Rs. in lakhs)**

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	As at 01 April 2023	Additions / Adjustments	Deductions / adjustments	As at 30 September 2023	As at 01 April 2023	For the year	Deductions / adjustments	As at 30 September 2023	As at 30 September 2023	As at 01 April 2023
Buildings	178.71	-	-	**178.71**	14.46	1.42		**15.87**	**162.84**	**164.25**
Office equiptments	53.52	1.67	-	**55.20**	42.98	2.51	(0.26)	**45.23**	**9.96**	**10.54**
Computers	440.28	10.51	159.10	**291.70**	371.10	20.71	(152.44)	**239.37**	**52.32**	**69.19**
Furniture and fixtures	906.25	2.00	-	**908.25**	478.91	40.43	(0.13)	**519.21**	**389.04**	**427.34**
Vehicles	350.66	-	-	**350.66**	201.52	19.83		**221.35**	**129.31**	**149.14**
Air Conditioner	105.99	-	-	**105.99**	51.39	3.00	-	**54.39**	**51.60**	**54.60**
Plant & Machinery	162.34	0.41	-	**162.75**	87.80	3.65	-	**91.46**	**71.30**	**74.54**
Electrical Fittings	41.59	-	-	**41.59**	21.05	1.80		**22.85**	**18.74**	**20.53**
Total	**2,239.35**	**14.60**	**159.10**	**2,094.85**	**1,269.22**	**93.35**	**(152.83)**	**1,209.73**	**885.11**	**970.13**

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	As at 31 March 2022	Additions / Adjustments	Deductions / adjustments	As at 31 March 2023	As at 31 March 2022	For the year	Deductions / adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Buildings	178.71	-	-	**178.71**	11.63	2.82359		**14.46**	**164.25**	**167.08**
Office equiptments	49.04	4.49	-	**53.52**	37.04	6.94	(0.99)	**42.98**	**10.54**	**11.99**
Computers	417.01	23.56	0.29	**440.28**	324.55	50.37	(3.82)	**371.10**	**69.19**	**92.46**
Furniture and fixtures	901.99	4.26	-	**906.25**	398.78	80.21	(0.08)	**478.91**	**427.34**	**503.21**
Vehicles	**352.74**	0.70	2.78	**350.66**	**161.97**	39.55258		**201.52**	**149.14**	**190.77**
Air Conditioner	105.99	-	-	**105.99**	45.39	6.00	(0.00)	**51.39**	**54.60**	**60.60**
Plant & Machinery	163.30		0.96	**162.34**	81.57	7.51	(1.27)	**87.80**	**74.54**	**81.73**
Electrical Fittings	41.59	-	-	**41.59**	**17.47**	3.58383		**21.05**	**20.53**	**24.12**
Total	**2210.37**	**33.01**	**4.03**	**2239.35**	**1078.41**	**196.99**	**(6.18)**	**1269.22**	**970.13**	**1131.97**

MANBA FINANCE LIMITED

NOTES TO RESTATED FINANCIAL INFORMATION

	Gross block				Accumulated depreciation and impairment				Net block	
	As at 31 March 2021	Additions / Adjustments	Deductions / adjustments	As at 31 March 2022	As at 31 March 2021	For the year	Deductions / adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Buildings	178.71	-	-	**178.71**	8.81	2.82	-	**11.63**	**167.08**	**169.90**
Office equiptments	48.86	0.19	0.03	**49.02**	30.20	6.84	-	**37.04**	**11.98**	**18.66**
Computers	383.43	33.58	0.00	**417.01**	274.93	54.93	(5.32)	**324.54**	**92.47**	**53.83**
Furniture and fixtures	901.70	0.29	-	**901.99**	318.75	80.03	-	**398.78**	**503.21**	**582.95**
Vehicles	**336.64**	17.61	1.50	**352.75**	**122.30**	39.73	(0.06)	**161.97**	**190.78**	**214.34**
Air Conditioner	105.99	-	-	**105.99**	39.39	6.00	-	**45.39**	**60.60**	**66.60**
Plant & Machinery	157.87	5.43	0	**163.30**	74.14	7.65	(0.23)	**81.56**	**81.74**	**83.73**
Electrical Fittings	41.59	-	-	**41.59**	**13.89**	3.58	0.00	**17.47**	**24.12**	**27.70**
Total	**2154.79**	**57.10**	**1.53**	**2210.36**	**882.41**	**201.58**	**(5.61)**	**1078.38**	**1131.97**	**1217.69**

Note 13 - Property, plant and equipment **(Rs. in lakhs)**

	Gross block				Accumulated depreciation and impairment				Net block	
	As at 1 April 2020	Additions / Adjustments	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Deductions / adjustments	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
Buildings	176.72	1.99	-	**178.71**	6.01	2.8	-	**8.81**	**169.90**	**170.71**
Office equiptments	45.13	3.75	0.01	**48.87**	40.83	6.59	(17.20)	**30.20**	**18.68**	**4.30**
Computers	266.87	61.89	0.00	**328.76**	227.35	50.35	(2.77)	**274.93**	**53.83**	**39.52**
Furniture and fixtures	889.45	12.26	-	**901.71**	239.68	79.07	-	**318.75**	**582.95**	**649.77**
Vehicles	**330.54**	10.94	4.85	**336.63**	**88.55**	37.47	(3.73)	**122.30**	**214.33**	**241.99**
Air Conditioner	104.91	1.08	-	**105.99**	33.47	5.94	(0.01)	**39.39**	**66.60**	**71.44**
Plant & Machinery	148.50	9.37	0	**157.87**	56.58	6.87	10.69	**74.14**	**83.73**	**91.92**
Electrical Fittings	32.74	8.85	-	**41.59**	**10.75**	3.13	0.00	**13.89**	**27.70**	**21.99**
Total	**1994.86**	**110.13**	**4.86**	**2100.13**	**703.22**	**192.22**	**(13.02)**	**882.41**	**1217.69**	**1291.63**

Note 14- Intangible Assets **(Rs. in lakhs)**

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	As at 01 April 2023	Additions / Adjustments	Deductions / adjustments	As at 30 September 2023	As at 01 April 2023	For the year	Deductions / adjustments	As at 30 September 2023	As at 30 September 2023	As at 01 April 2023
Computer Software	136.79	14.57	-	**151.36**	56.95	5.90	-	**62.85**	**88.51**	**79.84**
Total	**136.79**	**14.57**	**0.00**	**151.36**	**56.95**	**5.90**	**0.00**	**62.85**	**88.51**	**79.84**

MANBA FINANCE LIMITED

NOTES TO RESTATED FINANCIAL INFORMATION

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	As at 31 March 2022	Additions / Adjustments	Deductions / adjustments	As at 31 March 2023	As at 31 March 2022	For the year	Deductions / adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer Software	101.60	35.19	-	**136.79**	47.81	9.73	**(0.58)**	**56.95**	**79.84**	**53.79**
Total	**101.60**	**35.19**	**-**	**136.79**	**47.81**	**9.73**	**(0.58)**	**56.95**	**79.84**	**53.79**

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	As at 31 March 2021	Additions / Adjustments	Deductions / adjustments	As at 31 March 2022	As at 31 March 2021	For the year	Deductions / adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer Software	88.88	12.72	-	**101.60**	40.49	7.32	**-**	**47.81**	**53.79**	**103.05**
Total	**88.88**	**12.72**	**-**	**101.60**	**40.49**	**7.32**	**-**	**47.81**	**53.79**	**103.05**

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	As at 1 April 2020	Additions / Adjustments	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Deductions / adjustments	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
Computer software	121.57	21.97	-	**143.54**	34.83	5.87	**(0.21)**	**40.49**	**103.05**	**86.74**
Total	**121.57**	**21.97**	**-**	**143.54**	**34.83**	**5.87**	**(0.21)**	**40.49**	**103.05**	**86.74**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL INFORMATION

Note 15 - Right of use of assets **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Right of use of assets	1,056.32	1,117.85	92.80	261.30

Note 15 - Detailed Note on Leases

The weighted average incremental borrowing rate applied to lease liabilities is 10%

Information about leases for which the Company is a leasee are presented below -

(i) Right-of-use assets (ROU)	(Rs. in lakhs Total)
Gross carrying value	
Balance as at 1 April 2020	536.61
Additions	58.08
Disposals	
Balance as at 31 March 2021	**594.69**
Additions	18.13
Disposals	(84.84)
Balance as at 31 March 2022	**527.98**
Additions	1276.36
Disposals	(1.11)
Balance as at 31 March 2023	**1803.23**
Additions	83.66
Disposals	465.40
Balance as at 30 September 2023	**2352.29**

Accumulated depreciation	
Balance as at 1 April 2020	158.47
Charge for the year	174.92
Disposal / adjustment	-
Balance as at 31 March 2021	**333.39**
Balance as at 1 April 2021	333.39
Charge for the year	175.93
Disposal / adjustment	(74.14)
Balance as at 31 March 2022	**435.18**
Charge for the year	255.72
Disposal / adjustment	(5.52)
Balance as at 31 March 2023	**685.38**
Charge for the year	374.39
Disposal / adjustment	236.20
Balance as at 30 September 2023	**1295.97**
Net carrying value	
Balance as at 31 March 2021	261.3
Balance as at 31 March 2022	92.8
Balance as at 31 March 2023	1117.85
Balance as at 30 September 2023	**1056.32**

(ii) Amount recognised in the statement of profit and loss **(Rs. in lakhs)**

Particulars	Half Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost on lease liabilities	59.24	119.94	19.44	32.21
Depreciation on right of use assets	128.33	244.69	175.93	174.93
Rental expense recorded for short-term lease payments and payments for lease of low-value assets not included in the measurement of the lease liability (refer note (i) below)	17.06	22.7	50.85	31.94

Note - (i) Breakdown of rent **(Rs. in lakhs)**

Particulars	Half Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Short-term lease expense	0.44	35.07	50.85	24.75
Low value lease expense	-	-	-	-
Total lease expense	**0.44**	**35.07**	**50.85**	**24.75**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL INFORMATION

(iii) Cash outflow from leases **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Cash payments for the principal and interest portion of the lease liability within financing activities	77.07	250.77	150.15	134.25
Short-term lease payments, payments for lease of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities	0.44	35.07	50.85	24.75

(iv) Lease liabilities **(Rs. in lakhs)**

Balance as at 1 April 2020	383.18
Less: Movement during the year	-
Add: Interest cost accrued during the year	32.21
Less: payment of lease liabilities	(134.25)
Balance as at 1 April 2021	281.14
Less: Movement during the year	(46.01)
Add: Interest cost accrued during the year	19.44
Less: payment of lease liabilities	(150.15)
Balance as at 31 March 2022	**104.42**
Less: Movement during the year	1193.12
Add: Interest cost accrued during the year	119.94
Less: Payment of lease liabilities	(250.77)
Balance as at 31 March 2023	**1,166.71**
Less: Movement during the year	60.93
Add: Interest cost accrued during the year	59.24
Less: Payment of lease liabilities	(153.42)
Balance as at 30 September 2023	**1,133.46**

(Rs. in lakhs)

	As at 30 Sepetember 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Non-current	1,133.02	1134.78	45.59	86.46
Current	0.43	31.93	58.82	194.68

(v) Maturity analysis of lease liabilities

Maturity analysis – contractual discounted cash flows	(Rs. in lakhs)
As at 30 September 2023	
Less than 1 year	0.43
Between1 and 2 years	56.70
Between2 and 5 years	1076.33
Over5 years	
As at 31 March 2023	
Less than 1 year	31.93
Between1 and 2 years	42.53
Between2 and 5 years	1092.25
Over5 years	-
As at 31 March 2022	
Less than 1 year	58.82
Between1 and 2 years	41.39
Between2 and 5 years	4.20
Over5 years	-
As at 31 March 2021	
Less than 1 year	194.68
Between1 and 2 years	51.51
Between2 and 5 years	34.95
Over 5 years	-

Note 16 - Other non financial assets **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance with government authorities	129.39	153.29	139.09	84.22
Prepaid expenses	379.55	285.66	140.56	93.76
Others	12.55	7.62	6.02	34.07
	521.49	**446.57**	**285.67**	**212.05**

Note 17 - Trade payables **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	642.73	748.03	1,200.80	225.84
	642.73	**748.03**	**1,200.80**	**225.84**

Ageing for trade payables outstanding as at September 30, 2023 is as follows:

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	642.73	-	-	-	642.73
iii)Disputed dues MSME	-	-	-	-	-
iii)Disputed dues others	-	-	-	-	-
Total	**642.73**	**-**	**-**	**-**	**642.73**

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

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	748.03	-	-	-	748.03
iii)Disputed dues MSME	-	-	-	-	-
iii)Disputed dues others	-	-	-	-	-
Total	**748.03**	**-**	**-**	**-**	**748.03**

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

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	1,200.80	-	-	-	1,200.80
iii)Disputed dues MSME	-	-	-	-	-
iii)Disputed dues others	-	-	-	-	-
Total	**1,200.80**	**-**	**-**	**-**	**1,200.80**

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

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	225.84	-	-	-	225.84
iii)Disputed dues MSME	-	-	-	-	-
iii)Disputed dues others	-	-	-	-	-
Total	**225.84**	**-**	**-**	**-**	**225.84**

Note 18 - Debt securities **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
At amortised cost				
Secured				
Non convertible debenture	6,388.11	2,656.93	1,499.92	3,833.33
	6,388.11	**2,656.93**	**1,499.92**	**3,833.33**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL INFORMATION

Note 18.1 - Debt Securities **(Rs. in lakhs)**

Contractual Terms of repayment of Debt Securities

Particulars	**As at**	**As at**	**As at**	**As at**
	September 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Issued on Private Placement Basis				
I. Secured				
Repayable on Maturity (Principal Bullet repayment Interest)				
Maturing within 1 year (10.60 % To 16.60%)	-	1,166.67	999.92	1,000.00
Maturing Between 1 year to 3 Years (10.60 % To 16.60%)	6,395.83	1,500.00	500.00	2,833.33
Maturing Between 3 year to 5 Years (10.60 % To 16.60%)	-	-	-	-
Total Payable on Maturity	**6,395.83**	**2,666.67**	**1,499.92**	**3,833.33**
Unamortised Cost	-7.72	-9.74	-	-
Interest Accrued	-	-	-	-
Total Carrying amount	**6,388.11**	**2,656.93**	**1,499.92**	**3,833.33**

Note 18.2 - All Debt Securities are in India only.

Note 18.3 - Issue of secured redeemable non convertible debentures as on 30 September 2023, 31 march 2023, 31 March 2022 and 31 March 2021 **(Rs. in lakhs)**

Particulars	**Face value per debenture**	**Date of allotment**	**Interest rate % p.a.**	**Date of redemption**	**As at 30 September 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Bank of Baroda	10	Aug-20	10.60%	Aug-23	0.00	166.67	500.00	833.33
Northern ARC Money Market Alpha Trust	10	Nov-22	12.80%	Apr-23	0.00	1,000.00	0.00	0.00
Axis trustee Services Limited acting in its capacity as trustee of the Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund as its scheme	10	Sep-20	13.25%	Sep-21	0.00	0.00	0.00	1000
A K Capital Finance Pvt Ltd	1	Mar-21	13.50%	Mar-23		0.00	999.92	2,000.00
EDGE CREDIT OPPORTUNITIES FUND - NCD	1	Jan-23	13.10%	Jul-25	1,500.00	1,500.00	0.00	0
NORTHERN ARC CAPTIAL LIMITED -NCD 3	1	Aug-23	12.60%	Aug-25	2395.83	0.00	0.00	0
IKF Finance Ltd - NCD	1	Sep-23	16.60%	Mar-26	2500.00	0.00	0.00	0

Particulars	**Repayment terms**	**Interest Commencement month**	**Principal repayment Commencementmonth**	**Nature of Security**
Bank of Baroda - NCD	Quarterly	Nov-20	Nov-20	Exclusive charge over book debts equivalent to 125% of loan and interest amount.
Northen Arc Money Market Alpha	Monthly	Nov-22	Feb-23	Exclusive charge over book debts equivalent to 110% of loan and interest amount.
A.K.Capital Finance - NCD	Monthly	Apr-21	Apr-21	Exclusive charge over book debts equivalent to 110% of loan and interest amount.
Edge Credit Opportunities - NCD	Interest Montly Principal in two instalment	Jan-23	Mar-24	Exclusive charge over book debts equivalent to 110% of loan and interest amount.
Northern Arc Capital Ltd - NCD	Monthly	Sep-23	Sep-23	Exclusive charge over book debts equivalent to 115% of loan and interest amount.
IKF Finance Ltd - NCD	Monthly	Oct-23	Oct-23	Exclusive charge over book debts equivalent to 115% of loan and interest amount.

MANBA FINANCE LIMITED
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Note 19 - Borrowings (other than debt securities) (Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
At amortised cost				
(a) Term loans				
(i) Secured				
Loan from banks **(Refer Note 19.3)**	30,708.92	28,766.21	20,803.16	20,704.20
Loan from financial institutions **(Refer Note 19.3)**	27,992.38	28,132.54	13,685.81	12,522.92
Car loan from bank	33.16	37.33	45.18	71.97
(ii) Unsecured				
Term loan from financial institutions	-	-	3,405.66	3,335.13
Loan from inter companies	-	-	-	-
	58,734.45	**56,936.08**	**37,939.81**	**36,634.22**

19.1 These are secured by way of hypothecation of standard loan receivables of the Company.

19.2 The Company has transferred a pool of loans arising from financing activities through a securitisation transaction. In this transaction, the Company has provided credit enhancements to the transferee. Because of the existence of credit enhancements in this transaction, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset and continues to retain substantially all risks and rewards associated with the receivables, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale.

Note 19.3 Loans from PTC Transaction (Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Term laons				
(i) Secured				
Loan from banks - PTC Transaction	12,016.80	9,176.07	3,231.81	-
Loan from financial institutions- PTC Transaction	3,027.45	3,702.76	715.71	2,889.27
Total	**15,044.25**	**12,878.83**	**3,947.52**	**2,889.27**

Term loans from bank - Secured

Repayment term	Tenure	Interest range	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Monthly	Upto 5 years	8%-10%	3,678.66	5,156.83	8,170.84	19.61
Monthly	Upto 5 years	10%-11%	263.11	603.65	88.61	1,553.50
Monthly	Upto 5 years	11%-12%	15,243.70	9,792.73	656.90	2,441.31
Monthly	Upto 5 years	12%-13%	7,199.68	8,533.14	6,158.42	9,127.77
Monthly	Upto 5 years	above 13%	-	-	1,099.48	2,615.56
Monthly	above 5yrs-upto 7yrs	8.80%	33.16	37.33	45.18	52.36
Quarterly	Upto 5 years	12%-13%		-	-	1,005.27
			26,418.31	**24,123.69**	**16,219.43**	**16,815.38**

Loan repayable on demand from bank - secured

Repayment term	Tenure	Interest range	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
On demand	Upto 5 years	10%-11%	2,294.54	2,498.26	2,370.78	1,949.48
On demand	Upto 5 years	11%-12%	1,865.18	1,851.45	1,832.31	537.97
On demand	Upto 5 years	12%-13%	164.04	330.15	425.82	1,473.34
On demand	Upto 5 years	Above 13%	-	-	-	-
			4,323.76	**4,679.85**	**4,628.91**	**3,960.79**

Term loans from financial institutions - Secured

Repayment term	Tenure	Interest range	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Monthly	Upto 5 years	9%-10%	-	163.06	-	-
Monthly	Upto 5 years	10%-11%	463.98	1,103.30	610.29	2,386.62
Monthly	Upto 5 years	11%-12%	2,563.47	3,126.63	2,398.60	3,168.53
Monthly	Upto 5 years	12%-13%	16,724.60	14,637.80	8,182.76	3,020.25
Monthly	Upto 5 years	above 13%	8,240.32	9,101.75	2,494.16	3,947.52
Quarterly	Upto 5 years	11.15%	-	-	-	-
			27,992.38	**28,132.54**	**13,685.81**	**12,522.92**

Term loans from financial institutions - UnSecured

Repayment term	Tenure	Interest range	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Monthly	Upto 5 years	12%-13%	-	-	405.66	-
Quarterly	Upto 5 years	12%-13%	-	-	1,000.00	3,335.13
Ondemand	Upto 5 years	12%-13%	-	-	2,000.00	-
			-	**-**	**3,405.66**	**3,335.13**

MANBA FINANCE LIMITED
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Maturity of Loan - Need to Specify with Loan Maturity Data Given

	As at 31 March 2022			As at 31 March 2021		
Rate of interest (in%)	**Upto 1 year**	**1-7years**	**Total**	**Upto 1 year**	**1-7years**	**Total**
8.80	7.84	37.34	45.18	24.75	45.18	69.93
9.15	803.38	4,135.65	4,939.03	-	-	-
9.55	-	-	-	-	-	-
9.95	1,080.00	274.81	1,354.81	-	-	-
10.00	1,000.00	877.00	1,877.00	-	-	-
10.06				163.72	-	163.72
10.40				468.36	-	468.36
10.50	171.78	-	171.78	2,214.85	171.78	2,386.62
10.80	88.61	-	88.61	179.53	88.64	268.17
10.80				-	653.25	653.25
10.90	2,370.78	-	2,370.78	1,948.48	-	1,948.48
11.00	-	-	-			
11.10	-	-	-			
11.17				64.73	-	64.73
11.25	1,344.96	237.76	1,582.72			
11.30	-	-	-			
11.40	-	-	-	-	-	-
11.50	-	-	-	241.32	-	241.32
11.55	1,832.31	-	1,832.31	1,473.34	-	1,473.34
11.60	-		-	-	-	-
11.74	-	-	-	502.69	-	502.69
11.75	125.68	-	125.68	1,093.71	125.00	1,218.71
11.80	527.81	288.07	815.88	469.33	815.88	1,285.21
12.00	425.82	-	425.82	1,589.21	421.11	2,010.32
12.50	543.93	-	543.93	-	-	-
12.25	1,323.30	1,023.10	2,346.40	-	-	-
12.37	554.54	-	554.54	499.37	553.49	1,052.86
12.40				382.99	-	382.99
12.50	6,885.16	1,822.79	8,707.95	4,405.22	1,514.34	5,919.56
12.60	877.10	513.20	1,390.30	750.00	562.50	1,312.50
12.75	1,417.25	512.86	1,930.11	880.16	1,181.55	2,061.71
12.80	-	-	-			
13.00	2,361.19	882.17	3,243.36	3,648.85	2,936.83	6,585.68
13.20	-	-	-			
13.25	-	-	-			
13.50	2,202.28	514.33	2,716.61	2,448.13	2,724.28	5,172.41
13.75	-					
13.80	320.68	463.14	783.82	311.66	528.17	839.83
13.90	93.19	-	93.19	175.72	91.12	266.84
14.30				284.99	-	284.99
15.30	-	-	-			
	26,357.59	**11,582.22**	**37,939.81**	**24,221.11**	**12,413.12**	**36,634.22**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL INFORMATION

Maturity of Loan - Need to Specify with Loan Maturity Data Given

	As at 30 September 2023			As at 31 March 2023		
Rate of interest (in%)	**Upto 1 year**	**1-7years**	**Total**	**Upto 1 year**	**1-7years**	**Total**
8.80	8.94	24.21	33.16	8.56	28.78	37.33
9.15	1,104.24	2,394.83	3,499.07	1,155.65	2,907.76	4,063.41
9.55	-	-	-	163.06	-	163.06
9.95	179.59	-	179.59	868.80	-	868.80
10.00	-	-	-	220.11	4.51	224.62
10.90	2,294.54	-	2,294.54	2,498.26	-	2,498.26
11.00	727.09	-	727.09	1,673.07	33.88	1,706.96
11.10	632.99	-	632.99	554.18	324.15	878.33
11.20	338.20	-	338.20	590.76	73.75	664.50
11.25	-	-	-	239.10	-	239.10
11.30	920.33	-	920.33	1,606.91	252.38	1,859.28
11.39	1,146.73	619.62	1,766.35	-	-	-
11.40	4,819.13	2,305.75	7,124.87	1,375.97	661.32	2,037.29
11.50	695.90	86.71	782.61	687.90	430.96	1,118.85
11.55	1,865.18	-	1,865.18	1,851.45	-	1,851.45
11.60	2,217.59	322.61	2,540.20	2,098.30	1,421.90	3,520.19
11.80	-	-	-	288.07	-	288.07
12.00	1,811.08	1,890.55	3,701.62	1,087.66	1,226.07	2,313.73
12.25	1,643.65	831.66	2,475.31	2,242.54	1,528.24	3,770.78
12.50	3,151.45	2221.805726	5,373.26	3,207.92	2182.68627	5,390.60
12.60	1,407.27	1,438.34	2,845.60	354.67	162.30	516.98
12.75	4,553.78	2,209.43	6,763.21	5,589.68	2,587.31	8,176.99
12.80	327.80	587.84	915.64	213.20	777.18	990.38
13.00	2,914.61	2,800.69	5,715.30	2,314.25	2,341.11	4,655.37
13.20	497.24	249.70	746.93	495.47	498.58	994.05
13.25	2,149.62	1,647.80	3,797.41	1,992.20	1,663.47	3,655.67
13.50	936.19	466.05	1,402.25	527.53	-	527.53
13.75	797.97	42.40	840.37	1,215.16	231.65	1,446.81
13.80	296.14	-	296.14	357.83	110.81	468.64
15.30	744.10	413.12	1,157.22	1,211.40	797.64	2,009.04
	38,181.34	**20,553.11**	**58,734.45**	**36,689.65**	**20,246.43**	**56,936.08**

Note 20 - Lease liabilities **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Lease	**1,133.46**	**1,166.71**	**104.42**	**281.14**

Note 21 - Other financial liabilities

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Employee related payable			-	
Other expenses payable	141.21	94.80	59.02	126.93
	141.21	**94.80**	**59.02**	**126.93**

Note 22 - Provision

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
- provision for gratuity	118.09	111.08	88.56	59.68
- provision for compensated absences				
Provision for Expense Account	0	5.73	6.46	7.86
	118.09	**116.81**	**95.02**	**67.54**

Note 23 - Other non-financial liabilites

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	37.53	115.93	72.43	67.57
	37.53	**115.93**	**72.43**	**67.57**

MANBA FINANCE LIMITED
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Statement of changes in equity

Note 24 - Equity share capital
Share capital

Particulars	No of shares	Amount (Rs. in lakhs)
As at 31 March 2021	1,25,56,470	1,255.65
Issued during the year		-
As at 31 March 2022	1,25,56,470	1,255.65
Issued during the year		-
As at 31 March 2023	1,25,56,470	1,255.65
Issued during the year		-
As at 30th September 2023	**1,25,56,470**	**1,255.65**

Note 25 - Other equity

Particulars	Reserve and surplus			Total
	Securities premium	Retained earnings	Statutory reserve	
Balance as at 1 April 2020	5,879.19	4,837.19	1,268.91	11,985.29
Profit for the year	-	754.93	181.40	936.33
Other comprehensive income	-	15.97	-	15.97
Transfer from retained earnings	-	-	-	-
Balance as at 31 March 2021	5,879.19	5,608.09	1,450.31	12,937.56
Profit for the year	-	785.43	188.59	974.02
Other comprehensive income	-	7.11	-	7.11
Transfer from retained earnings	-	-	-	-
Balance as at 31 March 2022	5,879.19	6,400.63	1,638.90	13,918.73
Profit for the year	-	1,326.40	331.60	1,658.01
Other comprehensive income	-	10.77	-	10.77
Transfer from retained earnings	-	-	-	-
Balance as at 31 March 2023	5,879.19	7,737.81	1,970.50	15,587.48
Profit for the year	-	1,344.29	336.07	1,680.36
Other comprehensive income	-	11.83	-	11.83
Transfer from retained earnings	-	-	-	-
Balance as at 30 September 2023	**5,879.19**	**9,093.97**	**2,306.62**	**17,279.73**

MANBA FINANCE LIMITED
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Note 24 - (Detailed note on Equity) **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Authorised				
4,99,00,000 Equity share of Rs. 10 each	4,990.00			
1,49,00,000 Equity share of Rs. 10 each		1,490.00		
1,49,00,000 Equity share of Rs. 10 each			1,490.00	
1,49,00,000 Equity share of Rs. 10 each				1,490.00
1,00,000 Preference shares of Rs. 10 each	10.00	10.00	10.00	10.00
	5,000.00	**1,500.00**	**1,500.00**	**1,500.00**
Issued, subscribed and paid up				
1,25,56,470 equity shares of face value Rs. 10 each fully paid up	1255.65			
1,25,56,470 equity shares of face value Rs. 10 each fully paid up		1255.65		
1,25,56,470 equity shares of face value Rs. 10 each fully paid up			1255.65	
1,25,56,470 equity shares of face value Rs. 10 each fully paid up				1,255.65
	1,255.65	**1,255.65**	**1,255.65**	**1,255.65**

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year of Sep 2023 , March 2023, March 2022, March 2021.

Particulars	As at 30 September 2023		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the year	1,25,56,470.00	1,255.65	1,25,56,470.00	1,255.65	1,25,56,470.00	1,255.65	1,25,56,470.00	1,255.65
Shares issued during the year								
Shares outstanding at the end of the year	**1,25,56,470.00**	**1,255.65**	**1,25,56,470.00**	**1,255.65**	**1,25,56,470.00**	**1,255.65**	**1,25,56,470.00**	**1,255.65**

(b) Right, preference and restriction on shares

The Company has one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

(c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 30 September 2023		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of total shares	Number of shares	% of total shares	Number of shares	% of total shares	Number of shares	% of total shares
Manish K Shah	21,86,616.00	17	21,86,616.00	17	21,86,616.00	17	21,86,616.00	17
Nikita M Shah	16,68,090.00	13	16,68,090.00	13	16,68,090.00	13	16,68,090.00	13
Manish Kirit Shah (HUF)	7,38,282.00	6	7,38,282.00	6	7,38,282.00	6	7,38,282.00	6
Monil M Shah	5,98,183.00	5	5,98,183.00	5	5,98,183.00	5	5,98,183.00	5
Manba Investments and Securities Private Limited	46,35,346.00	37	46,35,346.00	37	46,35,346.00	37	46,35,346.00	37
Manba Broking Services Pvt Ltd	8,31,900.00	7	8,31,900.00	7	8,31,900.00	7	8,31,900.00	7
Manba Fincorp Pvt Ltd	6,95,902.00	6	6,95,902.00	6	6,95,902.00	6	6,95,902.00	6
Manba Infotech LLP	12,00,351.00	10	12,00,351.00	10	12,00,351.00	10	12,00,351.00	10
Total	**1,25,54,670.00**	**100**	**1,25,54,670.00**	**100**	**1,25,54,670.00**	**100**	**1,25,54,670.00**	**100**

(d) Disclosure of shareholding of promoters and promoter group of the Company

Out of equity shares issued by the Company, shares held by promoter and promoter group are as below -

Name of promotors	As at 30 September 2023			As at 31 March 2023			As at 31 March 2022			As at 31 March 2021		
	Number of shares	% of total shares	% of Change during the period	Number of shares	% of total shares	% of Change during the period	Number of shares	% of total shares	% of Change during the period	Number of shares	% of total shares	% of Change during the period
Manish K Shah	21,86,616.00	17.41%	-	21,86,616.00	17.41%	-	21,86,616.00	17.41%	-	21,86,616.00	17.41%	-
Nikita M Shah	16,68,090.00	13.28%	-	16,68,090.00	13.28%	-	16,68,090.00	13.28%	-	16,68,090.00	13.28%	-
Total	**38,54,706.00**			**38,54,706.00**			**38,54,706.00**			**38,54,706.00**		

(e) The Company has neither issued bonus shares nor there has been any buy back of shares during the five years immediately preceding 30th September 2023. Also, no share were issued for consideration other than cash during five years immediately preceeding 30th September 2023. The Company had set record date on 28th December 2023 for attotment of Bonus share and alloted those Bonus Share on 17th January 2024 in the proportion of 2:1

Note 25 - (Detailed note on Other equity)

(Rs. in lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Security premium	5879.19	5879.19	5879.19	5879.19
Profit and loss account	9093.97	7737.81	6400.63	5608.09
Statutory reserve	2306.62	1970.50	1638.90	1450.31
	17279.77	**15587.50**	**13918.72**	**12937.59**

(i) Security premium **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	5879.19	5879.19	5879.19	5879.19
Add - changes during the year				
Balance at the end of the year	**5879.19**	**5879.19**	**5879.19**	**5879.19**

Amount received (on issued of shares) in excess of the face value has been classified as securities premium. The reserve will be utilised in accordance with the provision of the Act.

(ii) Profit and loss account **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7,806.39	6,469.21	5,707.73	4,966.17
Add - Profit for the year	1,344.29	1,326.40	754.37	725.59
Add - Other comprehensive income for the year	11.83	10.77	7.11	15.97
Less - Income Tax Provision Past years	-	-	-	-
Balance at the end of the year	**9162.50**	**7806.39**	**6469.21**	**5707.73**

Retained earnings represents the accumulated profits / losses made by the Company over the years.

(iii) Statutory reserve **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,970.50	1,638.90	1,450.31	1,268.91
Less :- transfer from Profit & Loss account	336.07	331.60	188.59	181.40
Balance at the end of the year	**2,306.57**	**1,970.50**	**1,638.90**	**1,450.31**

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation. The Company has transferred 25% of the profit after tax (as against 20%) required to the statutory reserves in accordance to the provision of Section 45-IC of Reserve Bank of India Act,1934.

Note 26 - Interest income **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on financial assets measured at amortised cost				
- Interest on loans	7,401.74	12496.17	9,397.99	9,665.27
	7,401.74	**12,496.17**	**9,397.99**	**9,665.27**

Note 27 - Other operating income

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Other financials charges	261.05	442.32	1,066.58	813.59
Commission income	117.77	264.58	118.74	26.26
Interest on SD	2.99	6.04	9.94	9.02
Interest on Fixed deposits	109.46	122.53	65.81	51.49
Profit on ARC	935.85	-	-	-
	1,427.12	**835.47**	**1,261.07**	**900.36**

Note 28 - Other income

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Profit on sales of short term investments in shares				9.89
Profit on sale of property, plant and equipment	-	-	0.26	0.99
Sundry balance written off	-	-	-	(2.21)
Miscellaneous income	(0.02)	0.07	2.62	2.13
Income on Mutual Fund	0.09	-	-	-
	0.07	**0.07**	**2.88**	**10.80**

Note 29 - Finance costs

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
On financial liabilities measured at amortised cost				
Interest on borrowings	3,398.69	5,253.04	4,235.19	4,466.62
Interest on debt securitties	23.13	39.71	125.91	324.89
Interest on lease liabilities	59.24	119.94	19.44	32.21
Othr finance charges	114.42	249.20	278.05	275.10
	3,595.48	**5,661.89**	**4,658.59**	**5,098.82**

Note 30 - Impairment of financial instruments

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Financial assets measured at amortised cost				
Impairment on Financials Instrument	479.65	831.31	1,003.59	770.25
	479.65	**831.31**	**1,003.59**	**770.25**

Note 31 - Employee Benefit Expenses

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	1,562.23	2620.17	2,176.46	1,782.42
Contribution to provident and other funds	73.11	78.45	42.07	50.37
Gratuity expenses	24.07	40.73	40.19	56.74
Staff welfare expenses	19.58	60.51	28.42	17.83
	1,678.99	**2,799.86**	**2,287.14**	**1,907.36**

Note 32 - Depreciation and amortisatoin expense **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipments	91.70	190.81	195.99	182.01
Depreciation on right to use assets	128.33	244.69	175.93	174.93
Amortisation on intangible assets	5.90	9.14	7.32	5.87
	225.93	**444.64**	**379.24**	**362.81**

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Note 33 - Other expenses **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Advertisement Expenses	0.08	1.75	1.68	0.39
Audit Fees	4.83	1.89	2.18	0.20
Statutory auditors remuneration	1.50	4.00	2.42	2.42
Business Promotion expenses	2.32	66.45	57.11	219.70
CIBIL Charges	41.71	73.45	45.59	34.02
Computer & Software Charges	42.95	44.85	25.18	25.87
Commission expenses	36.87	104.84	95.26	254.62
Conveyance Expenses	56.11	36.11	14.84	14.90
CSR expenses	-	27.5	30.00	27.50
Document & Stamping Charges	54.34	91.74	56.24	46.40
Donations	0.45	2.4	24.09	20.99
Goods and services tax	70.23	135.88	168.19	79.37
House keeping expenses	9.24	19.85	13.94	11.23
Insurance expenses	2.61	7.33	7.29	6.73
Legal Expenses	0.02	0.1	0.39	0.26
Petrol Charges	2.54	5.49	3.44	4.78
Security Charges	6.74	51.2	13.53	12.38
Society Maintenance	3.49	7.97	6.19	5.51
Water Charges	1.67	2.49	3.00	3.89
Electricity Charges	30.53	56.7	48.67	45.65
Field Inspection Charges	18.09	31.63	32.00	35.68
Internet Expenses	5.07	9.47	9.33	10.35
Office Expenses	20.98	39.54	35.00	42.18
Postage & Telegram	11.11	26.74	13.00	13.79
Printing & Stationery	18.86	39.25	24.86	28.14
Professional & Consultancy Fees	54.43	59.32	90.20	41.65
Incentive to Dealer	161.64	241.79	149.61	84.60
Rent, Rates & Taxes	17.06	22.7	50.85	31.94
Repairs & Maintenance	16.22	32.33	21.68	18.85
Telephone Expenses	8.40	16.85	15.64	20.31
Other Miscellaneous Expenses	15.28	2.88	5.70	7.18
Loss on sale to ARC	-	50.86	-	-
	715.37	**1,315.35**	**1,067.10**	**1,151.48**

Note I - Payments to auditors **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	1.50	3.00	2.42	2.42
Taxation matters and Other attest services	2.86	1.00	6.47	3.63
	4.36	**4.00**	**8.89**	**6.05**

Note II - Corporate social responsibility

As per section 135 of the Companies Act, and rules therein, the Company is required to spend at least 2% of its average net profits for three immediately preceeding financial years towards CSR activities. The Company has CSR committee as per the Act. The funds are utilised on the activities which are specified in schedule VII of the Act. Details of CSR expenditure are as follows -

(Rs. in lakhs)

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent by the company during the year	-	26.00	29.28	27.18
(ii) Amount of expenditure incurred on:				
(a) Construction/acquisition of any asset	-	-	-	
(b) On purposes other than (a) above	-	27.50	30.00	27.50
(iii) Shortfall at the end of the year	-	-	-	
(iv) Total of previous years shortfall	-	-	-	
(v) Reason for shortfall	-	-	-	
(vi) Nature of CSR activities	-	Medical and Education	Medical and Education	Medical and Education
(vii) Details of related party transactions in relation to CSR expenditure as per relevant accounting standard		NA	NA	NA

The amount spent towards CSR does note involve any long term project and accordingly, disclosure requirements relating to ongoing projects is not applicable as at reporting dates.

Note 34 - Earnings per share

The earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by weighted average number of equity shares outstanding at the year end.

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Net profit after tax for the year	16,80,35,754.28	16,58,00,544.00	9,74,02,231.05	9,36,33,205.65
Profit attributable to equity share holders	16,80,35,754.28	16,58,00,544.00	9,74,02,231.05	9,36,33,205.65
Weighted average number of equity shares outstanding during the year (numbers)	1,25,56,470.00	1,25,56,470.00	1,25,56,470.00	1,25,56,470.00
Add: Bonus alloted on 17th January,2023	2,51,12,940.00	2,51,12,940.00	2,51,12,940.00	2,51,12,940.00
Weighted No. of Equity Share for calculating Diluted EPS	3,76,69,410.00	3,76,69,410.00	3,76,69,410.00	3,76,69,410.00
Basic (in Rs.)	4.46	4.40	2.59	2.49
Diluted (in Rs.)	4.46	4.40	2.59	2.49
Face value per share (in Rs.)	10	10	10	10

Note 35 - Contingent liabilites **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Disputed Income Taxes	223.75	223.75	235.74	235.74

1. The Assessing Officer have disagreed with the treatment in connection with the return of income filed by the company for AY 2018-19 and accordingly raised a demand. This has been challenged before Commissioner of Income Tax (Appeal)

2. For AY 2019-20 the company had filed ithe revised return and paid the required amount and the demand was closed, the case was again reopened, the company had made the requested submission

3. For AY 2020-21 Scrutiny notice received by the company which created a demand to be payable by the company, the company had filed rectification letter twice the demand got reduced to the maximum extent but still some amount is pending, the company is in the process of solving the same.

4 Some short deduction of TDS appearing in the portal , the company is in the process of identify the issue, the same will be rectified or paid once identified.

Note 36 - Capital commitments **(Rs. in lakhs)**

Particulars	As at 30 September 2023	As at 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL	NIL	NIL

Note 37 - Operating segment

There is no separate reportable segment as per Ind AS 108 on Operating Segments' in respect of the Company.
The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.
No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in half year ended September 2023, year ended 31 March 2023, 31 March 2022 and March 2021.

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Note 38 - Employee benefits

(A) Defind contribution plans

During the year, the Company has recognised the following amounts in the statement of profit and loss -

(Rs. in lakhs)

Particulars	Half year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to provident, ESIC and labour welfare fund (refer note 31)	76.05	109.98	64.05	32.06
	76.05	**109.98**	**64.05**	**32.06**

(B) Defind benefit plans

(i) Gratuity

The Company's liabilities under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method. The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Basis of assumptions

Calculating Defined benefit obligation, by using Projected Unit Credit Method, requires an actuary to make a lot of assumptions, based on current market scenarios. The basis of different assumptions used while calculating the defined benefit obligation is as follows :-

Discount rate -

Discount rate has been determined by reference to market yields on Government bonds of term consistent with estimated term of obligations.

Mortality / disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Employee turnover / withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

Salary escalation rate

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

(a) Principal assumptions used for the purposes of the actuarial valautions **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Economic assumptions				
Discount rate (per annum)	7.36%	7.33%	7.37%	6.87%
Salary escalation rate	11%	11%		For First year-0%
			10%	Thereafter -8.5%
Demographic assumptions				
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee turnover / withdrawal rate	8.00%	8.50%	7.00%	10.50%
Retirement age	58 Years	58 Years	58 years	58 years

(ii) Amount recognised in the balance sheet **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Present value of unfunded obligation as at the end of the year	118.09	111.08	88.56	59.68
Net liability recognised in the balance sheet	118.09	111.08	88.56	59.68
Current obligations	3.91	3.91	2.54	3.05
Non-current obligations	114.18	107.17	86.02	56.64

(iii) Changes in the present value of defind benefit obligation **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at the beginning of the year	111.08	88.56	59.68	49.36
Interest cost	4.76	7.65	5.12	4.14
Current service cost	20.69	33.08	32.61	27.79
Past service cost			-	-
benefits paid	(2.63)	(3.81)	-2.39	-0.28
Actuarial (gain) / loss on obligations - due to change in financial assumptions	(15.81)	(14.39)	-6.47	-21.34
Actuarial (gain) / loss on obligations - due to experience adjustments			-	-
Present value of obligation at the end of the year	**118.09**	**111.08**	**88.55**	**59.67**

(iv) Expenses recognised in the statement of profit and loss **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	20.69	33.08	32.61	27.79
Net interest cost	4.76	7.65	5.12	4.14
Past service cost	-	-	-	
Total expenses recognised in the statement of profit and loss	**25.45**	**40.73**	**37.73**	**31.93**

(v) Expenses recognised in other comprehensive income **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurement due to				
- effect of change in financial assumptions	(5.57)	11.06	6.72	-6.21
- effect of change in demographic assumptions	1.68	(4.72)	6.94	-
- effect of experience adjustments	(11.91)	(20.74)	-20.13	-15.12
Net actuarial (gains)/ losses recognised in OCI	**(15.81)**	**(14.39)**	**(6.47)**	**(21.33)**

(vi) Sensitivety analysis for significant assumption **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate				
1% increase	(12.50)	(11.30)	(9.78)	(5.39)
1% decrease	14.86	13.36	11.70	6.05
Salary escalation rate				
1% increase	10.74	9.87	8.73	5.89
1% decrease	(10.45)	(9.67)	(8.55)	(4.92)

(vii) Maturity profit of defined benefits obligation **(Rs. in lakhs)**

Particulars	Year ended 30 September 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Withing next 12 months	4.06	4.05	2.63	3.15
Between 2 and 5 years	24.30	24.74	18.25	17.99
Between 6 and 10 years	48.00	45.80	32.72	27.61
Beyond 10 years	263.22	221.97	215.18	82.85
Total expected payments	339.58	296.55	268.78	131.61

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Note 39 - Related party Disclosure
Names and Relationships of the related parties

i) Concerns under same Management:
1.Theme Infotech Private Limited
2. Aarambh Properties LLP
3 .Nirvan Vastu Developers LLP
4 .Celebrity Buildcon LLP
5. Manba Fincorp Private Lmited
6.Manba Investment and Securities Private Limited
7.Ride Choice Ltd
8.Riders Autoservices Private limited
9.Celebrity Project Private Limited
10.Innovative Automobiles Private Limied
11.Celebrity lifespace Private Loimited

ii) Key Management Personnel;
1.Manish K Shah.
2.Nikita M Shah.
3.Monil M Shah
4.Jay Mota.
5.Bhavisha Jain.

Related party transactions
Key Management Personnel and Relatives **(Rs. in lakhs)**

Remuneration to KMPs	30-09-2023	31-03-2023	31-03-2022	31-03-2021
MANISH SHAH	100.00	200.00	200.00	116.67
NIKITA SHAH	45.00	75.00	75.00	43.75
MONIL SHAH	48.00	78.00	78.00	45.50
MANSI SHAH	-	-	-	1.00
JAY MOTA	22.26	40.94	35.30	33.38
BHAVISHA JAIN	2.42	4.31	3.95	3.60
Total	**217.67**	**398.25**	**392.24**	**243.90**

Loan Taken or Repayment received	30-09-2023	31-03-2023	31-03-2022	31-03-2021
Manish Shah	2.57	18.93	46.57	-
Manish Shah HUF	3.87	-	-	-
Monil Shah	-	0.91	11.47	-
Nikita Shah	-	0.82	16.53	-
Total	**6.44**	**20.66**	**74.56**	**-**

Loan Given or Loan Repaid	30-09-2023	31-03-2023	31-03-2022	31-03-2021
Manish Shah	2.57	8.46	46.47	-
Manish Shah HUF	3.87	-	-	-
Monil Shah	-	0.91	11.47	-
Nikita Shah	-	0.82	16.53	-
Total	**6.44**	**10.19**	**74.46**	**-**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL INFORMATION

Company under same management

(Rs. in lakhs)

Interest Income	30-09-2023	31-03-2023	31-03-2022	31-03-2021
Ride Choice				
Theme Infotech Private Limited	6.24	62.14	79.69	85.17
Aarambh Properties LLP	-	3.02	37.19	10.07
Celebrity lifespace private limited	-	-	-	2.13
Rider Auto services Private Limited	3.25	7.08	33.47	13.02
Total	**9.49**	**72.24**	**150.35**	**110.39**

Loan Taken or Repayment received	30-09-2023	31-03-2023	31-03-2022	31-03-2021
Ride Choice	0.52	-	0.12	-
Theme Infotech Private Limited	262.32	456.50	261.41	-
Manba Investment & Securities Private Limited	6.35	26.09	232.48	-
Aarambh Properties LLP	5.06	248.58	244.53	-
Nirvan Vastu Developers LLP	32.09	0.26	23.26	0.01
Celebrity Buildcon LLP	3.98	2.36	1.46	-
Manba Fincorp Private Limited	0.94	3.50	11.17	-
Celebrity Project Private Limited	-	6.03	1.55	-
Innovative Automobiles private limited	-	-	-	0.03
Riders Autoservices Private limited	50.89	-	264.87	-
Total	**362.15**	**743.32**	**1,040.86**	**0.04**

Loan Given or Loan Repaid	30-09-2023	31-03-2023	31-03-2022	31-03-2021
Ride Choice	0.29	0.23	0.12	-
Theme Infotech Private Limited	6.40	53.45	198.05	731.37
Manba Investment & Securities Private Limited	6.35	26.09	232.48	-
Aarambh Properties LLP	5.06	9.35	58.00	423.04
Nirvan Vastu Developers LLP	32.09	0.26	23.28	-
Celebrity Buildcon LLP	3.98	2.36	1.46	-
Manba Fincorp Private Limited	0.94	3.50	11.17	-
Celebrity Project Private Limited	-	6.03	1.55	-
Celebrity lifespace private limited	-	-	-	17.75
Rider Auto services Pvt Ltd.	5.30	92.75	100.61	512.76
Total	**60.40**	**194.02**	**626.72**	**1,684.92**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL INFORMATION

Note 40 - Operating segment

(a) Excepted Credit loss - Loans :

Particulars		AS at 30 September 2023			AS at 31 March 2023			As at 31 March 2022			As at 31 March 2021		
		Gross carrying amount	Expected credit loss	Carrying amount net of impairement provision	Gross carrying amount	Expected credit loss	Carrying amount net of impairement provision	Gross carrying amount	Expected credit loss	Carrying amount net of impairement provision	Gross carrying amount	Expected credit loss	Carrying amount net of impairement provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	64,723.20	282.97	64,440.23	57,696.52	201.49	57,495.04	43,294.84	243.75	43,051.09	47,143.00	349.30	46,793.70
Loss allowance measured at Iife-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-Impaired	3,023.56	73.94	2,949.61	2,913.12	66.23	2,846.88	3,163.45	78.72	3,084.73	4,013.50	85.26	3,928.24
	Financial assets for which credit risk has increased significantly and credit-impaired	2,770.81	526.45	2,244.36	2,368.68	378.99	1,989.69	2,450.04	318.51	2,131.53	1,478.11	221.60	1,256.51
Total		**70,517.57**	**883.37**	**69,634.20**	**62,978.32**	**646.71**	**62,331.61**	**48,908.33**	**640.98**	**48,267.35**	**52,634.60**	**656.16**	**51,978.44**

(b) Reconciliation of loss allowance provision - Loans

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on 1 April 2020	209.02	128.47	267.49	604.98
New assets originated or purchased	43.98	17.68	14.56	76.22
Amount written off	(54.51)	(33.51)	(165.35)	(253.37)
Transfers to Stage 1	(2.15)	1.45	0.70	-
Transfers to Stage 2	47.68	(57.76)	10.08	-
Transfers to Stage 3	40.56	47.75	(88.31)	-
Increase/ (Decrease) provision on existing financial assets including recovery	64.72	(18.83)	182.43	228.33
ECL as on 1 April 2021	**349.30**	**85.26**	**221.60**	**656.16**
New assets originated or purchased	48.34	21.32	70.31	139.97
Amount written off	(56.80)	(38.64)	(87.09)	(182.54)
Transfers to Stage 1	(2.50)	1.70	0.80	-
Transfers to Stage 2	3.45	(5.79)	2.34	-
Transfers to Stage 3	222.72	49.18	(271.90)	-
Increase/ (Decrease) provision on existing financial assets including recovery	(320.76)	(34.30)	382.45	27.39
ECL as on 31 March 2022	**243.75**	**78.72**	**318.51**	**640.98**
New assets originated or purchased	88.83	39.01	58.48	186.33
Amount written off	(145.14)	(34.78)	(65.46)	(245.38)
Transfers to Stage 1	(0.71)	0.62	0.09	-
Transfers to Stage 2	21.08	(21.50)	0.42	(0.00)
Transfers to Stage 3	126.16	66.29	(192.45)	-
Increase/ (Decrease) provision on existing financial assets including recovery	(132.48)	(62.12)	259.39	64.79
ECL as on 31 March 2023	**201.49**	**66.23**	**378.99**	**646.71**
New assets originated or purchased	67.19	6.76	0.66	74.61
Amount written off	(53.51)	(21.97)	(43.40)	(112.56)
Transfers to Stage 1	(119.08)	49.64	69.44	-
Transfers to Stage 2	0.69	(179.86)	179.17	-
Transfers to Stage 3	0.41	1.07	(1.48)	-
Increase/ (Decrease) provision on existing financial assets including recovery	185.79	152.08	(56.93)	274.62
ECL as on 30 September 2023	**282.97**	**73.94**	**526.45**	**883.37**

(c) Reconciliatoin of gross carrying amount - Loans

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on 1 April 2020	43,464.99	5,382.04	2,057.61	50,904.64
New assets originated or purchased	21,940.08	843.82	724.46	23,508.36
Amount written off	(54.51)	(33.51)	(682.23)	(685.96)
Transfers to Stage 1	(943.68)	895.92	47.76	-
Transfers to Stage 2	2,165.08	(2,230.35)	65.27	-
Transfers to Stage 3	311.95	350.56	(662.51)	-
Net recovery	(19,740.92)	(1,194.99)	(72.25)	(19,969.85)
Gross carrying amount as on 1 April 2021	**47,143.00**	**4,013.50**	**1,478.11**	**52,634.60**
New assets originated or purchased	19,601.55	943.89	4,265.56	24,811.00
Amount written off	(56.80)	(38.64)	(811.80)	(907.25)
Transfers from Stage 1	(747.42)	722.17	25.25	-
Transfers from Stage 2	1,700.56	(1,738.91)	38.35	0.00
Transfers from Stage 3	711.33	378.32	(1,089.65)	-
Net recovery	(25,057.38)	(1,116.87)	(1,455.78)	(27,630.03)
Gross carrying amount as on 31 March 2022	**43,294.84**	**3,163.45**	**2,450.04**	**48,908.33**
New assets originated or purchased	33,007.55	1,529.22	1,821.85	36,358.63
Amount written off	(145.14)	(34.78)	(415.23)	(595.15)
Transfers from Stage 1	(384.24)	333.08	51.16	-
Transfers from Stage 2	999.03	(1,026.51)	27.48	-
Transfers from Stage 3	970.44	509.92	(1,480.35)	-
Net recovery	(20,045.95)	(1,561.25)	(86.28)	(21,693.48)
Gross carrying amount as on 31 March 2023	**57,696.52**	**2,913.12**	**2,368.68**	**62,978.32**
New assets originated or purchased	22,407.59	268.00	131.41	22,807.00
Amount written off	(53.51)	(21.97)	(171.81)	(247.30)
Transfers from Stage 1	(2,329.00)	1,964.00	365.00	-
Transfers from Stage 2	277.00	(1,220.00)	943.00	-
Transfers from Stage 3	126.00	49.00	(175.00)	-
Net recovery	(13,401.40)	(928.58)	(690.47)	(15,020.45)
Gross carrying amount as on 30 September 2023	**64,723.20**	**3,023.56**	**2,770.81**	**70,517.57**

Note 41 - Fair values of financial assets and financial liabilities **(Rs. in lakhs)**

Particulars	FVOCI	FVTPL	Amortised cost
As at 30 September 2023			
Financial Assets			
Cash and cash equivalents	-	-	4,180.22
Bank balance other than cash and cash equivalents	-	-	5,917.99
Loans	-	-	69,634.20
Investments	-	2,627.08	-
Other financial assets	-	-	799.10
			-
Financial liabilities			-
Trade payables	-	-	642.73
Debt securities	-	-	6,388.11
Borrowings (other than debt securities)	-	-	58,734.45
Deposits	-	-	-
Other financial liabilities	-	-	141.21

Particulars	FVOCI	FVTPL	Amortised cost
As at 31 March 2023			
Financial Assets			
Cash and cash equivalents	-	-	6,237.99
Bank balance other than cash and cash equivalents	-	-	4,624.53
Loans	-	-	62,331.61
Investments	-	-	1,835.99
Other financial assets	-	-	933.03
			-
Financial liabilities			-
Trade payables	-	-	748.03
Debt securities	-	-	2,656.93
Borrowings (other than debt securities)	-	-	56,936.08
Deposits	-	-	-
Other financial liabilities	-	-	94.80

As at 31 March 2022

Financial Assets			
Cash and cash equivalents	-	-	3,198.39
Bank balance other than cash and cash equivalents	-	-	1,805.57
Loans	-	-	48,267.35
Investments	-	-	8.04
Other financial assets	-	-	1,080.45
Financial liabilities			
Trade payables	-	-	1,200.80
Debt securities	-	-	1,499.92
Borrowings (other than debt securities)	-	-	37,939.81
Deposits	-	-	-
Other financial liabilities	-	-	59.02

As at 31 March 2021

Financial Assets			
Cash and cash equivalents	-	-	453.93
Bank balance other than cash and cash equivalents	-	-	921.53
Loans	-	-	51,978.44
Investments	-	-	5.00
Other financial assets	-	-	225.84
Financial liabilities			
Trade payables	-	-	225.84
Debt securities	-	-	3,833.33
Borrowings (other than debt securities)	-	-	36,634.22
Deposits	-	-	-
Other financial liabilities	-	-	126.93

Note 42 - Fair values hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
• Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
• Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
The following table presents fair value hierarchy of financial instruments measured at fair value on a recurring basis:

Particulars	Level 1	Level 2	Level 3	Total
As at 30 September 2023				
Financial assets				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	-	-	2,627.08	2627.08
As at 31 March 2023				
Financial assets				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	-	-	1,835.99	1835.99
As at 31 March 2022				
Financial assets				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	8.04	-	-	8.04
As at 31 March 2021				
Financial assets				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	5.00	-	-	5.00

Valuation technique used to determine fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (adjusted/unadjusted) for identical assets. This category consists of quoted equity shares, mutual fund units.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). Thiscategory includes venture fund units and security receipts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category includes unlisted equity shares, preference shares and debentures.

There has been no transfer between level 1, level 2 and level 3 for the period/year ended 30 September 2023, 31 March 2023, 31 March 2022, 31 March 2021.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
The fair value of Loan approximates the carrying amount.
For financial assets and liabilities measured at fair value, the carrying amounts approximates the fair values.

Note 43 - Financial risk management objectives
The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance. Management has not formed formal risk management policies, however, the risks are monitored by management by analyzing exposures by degree and magnitude of risk on a continued basis. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

(A) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk
The Company have majority of the borrowings under fixed Rate of Interest,So The Interest Rate Risk is at very lower side.

(ii) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's mainly transacting in INR and hence the company is not exposed to any foreign currency risk.

(B) Credit risk
Credit impaired (stage 3)
The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

• Contractual payments of principal and/or interest are past due for more than 90 days;

• The loan is otherwise considered to be in default. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, any overdue of more than 30 day past due and up to 90 days past due as on the reporting date is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by tenors, underlying collateral, source of income etc. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities.

Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(i) Loans and advances (including loan commitments and gaurantees)

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD").

Computation of allowance for impairment losses:
The Company prepares its financial statements in accordance with the IND AS framework.

As per the RBI notification on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extent prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (Including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be done only with prior permission from the RBI.

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "Base case" (the "Central" scenario) and two "Worst case" scenarios (the "Downside" scenario) and three "Best case' (the "Upside" scenario). Probability weights are assigned to each scenario. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly.

In case where the estimate based on ECL model does not appropriately capture the stress in the portfolio given the lag effect between the actual stress and its impact on ECL computation, the management estimates an additional provision over and above the estimate based on the model and computation methodology stated above. This additional provision is referred to as management overlay.

In accordance with the Board approved moratorium policy read with the RBI guidelines dated March 27, 2020, April 17,2020 and May 23,2020 related to “Covid-19 Regulatory Package”, the Company has granted moratorium up to five months for payment of installment falling due between April 1,2020 and August 31,2020 to selected borrowers in accordance with the Company’s policy approved by the Board. As per assessment of the Company, extension of such moratorium benefit to the borrowers as per the Covid-19 regulatory package of the RBI, is not considered to result in significant increase in credit risk as defined in Ind AS 109.The Company continued to recognize interest income during the moratorium period and in absence of other credit indicators, granting of moratorium period does not result in accounts becoming past due thereby automatically triggering stage 2 or stage 3 classification criteria as per IND AS 109. For all such accounts where moratorium is granted pursuant to the above RBI guidelines, the asset classification shall remain stand still during the moratorium period (i.e. number of days past-due shall exclude the moratorium period for the purpose of asset classification under Income Recognition, Asset Classification and provisioning norms).

(ii) Other remaining financial assets (Other financial assets and loans)

Other financial assets mainly includes deposit and advances given, and receivables from recovery agents. Loans, being a primary part of our operations, represent vehicle loans given to various parties for purchasing motor vehicles. Based on assessment carried by the Company, entire receivable under this category is classified as “Stage 1”. There is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to 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.The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company’s financial liabilities:

(Rs. in lakhs)

Particulars	Within 12 months	Beyond 12 months	Total
As at 30 September 2023			
Trade payables	642.73	-	642.73
Debt securities	2,250.00	4,145.83	6,395.83
Less: Unamortised Interest	-	(7.72)	(7.72)
Borrowings (other than debt securities)	38,181.34	20,553.11	58,734.45
Other financial liabilities	141.21	-	141.21
	41,215.28	**24,691.22**	**65,906.50**

Particulars	Within 12 months	Beyond 12 months	Total
As at 31 March 2023			
Trade payables	748.03	-	748.03
Debt securities	1,691.67	974.50	2,666.17
Less: Unamortised Interest	-	(9.24)	(9.24)
Borrowings (other than debt securities)	36,689.65	20,246.43	56,936.08
Other financial liabilities	94.79	-	94.79
	39,224.14	**21,211.69**	**60,435.83**

Particulars	Within 12 months	Beyond 12 months	Total
As at 31 March 2022			
Trade payables	1200.8	-	1200.80
Debt securities	999.92	500.00	1499.92
Borrowings (other than debt securities)	26357.59	11582.22	37939.81
Other financial liabilities	59.02	-	59.02
	28617.33	**12082.22**	**40699.55**

Particulars	Within 12 months	Beyond 12 months	Total
As at 31 March 2021			
Trade payables	225.84	-	225.84
Debt securities	1000	2,833.33	3833.33
Borrowings (other than debt securities)	24,221.11	12,413.12	36634.22
Other financial liabilities	126.93	-	126.93
	25,573.88	**15246.45**	**40820.32**

Note 44 - Maturity analysis of assets and liabilities

The below table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Maturity analysts of assets and liabilities as at 30 September 2023

(Rs. in lakhs)

	As at 30 September 2023		
Particulars	**Within 12 monhts**	**After 12 monhts**	**Total**
Assets			
Cash and cash equivalents	4,180.22	-	4,180.22
Bank balance other than cash and cash equivalents	5,917.99	-	5,917.99
Loans	45,251.01	24,383.19	69,634.20
Investments	-	2,627.08	2,627.08
Other financial assets	799.10	-	799.10
Current tax assets (net)	-	-	-
Deferred tax assets (net)	220.96	-	220.96
Property, plant and equipment	-	885.11	885.11
Capital work in progess	-	-	-
Other intangible assets	-	88.51	88.51
Right of use of assets	-	1,056.32	1,056.32
Other non-financial assets	521.49	-	521.49
Total assets	**56,890.77**	**29,040.21**	**85,930.99**

Liabilities

Trade payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises	642.73	-	642.73
Debt securities	2,250.00	4,145.83	6,395.83
Less: Unamortised Interest		(7.72)	(7.72)
Borrowings (other than debt securities)	38,181.34	20,553.11	58,734.45
Other financial liabilities	141.21	-	141.21
Current tax liabilities (net)	200.03	-	200.03
Lease liabilities	0.43	1,133.03	1,133.46
Provisions	118.09	-	118.09
Other non-financial liabilities	37.53	-	37.53
Total liabilities	**41,571.36**	**25,824.25**	**67,395.61**

(Rs. in lakhs)

Particulars	As at 31 March 2023		
	Within 12 monhts	**After 12 monhts**	**Total**
Assets			
Cash and cash equivalents	6,237.99	-	6,237.99
Bank balance other than cash and cash equivalents	4,624.53	-	4,624.53
Loans	39,380.00	22,951.61	62,331.61
Investments	-	1,835.99	1,835.99
Other financial assets	933.03	-	933.03
Current tax assets (net)	-	-	-
Deferred tax assets (net)	-	147.21	147.21
Property, plant and equipment	-	970.13	970.13
Capital work in progess	-	-	-
Other intangiable assets	-	79.84	79.84
Right of use of assets	-	1,117.85	1,117.85
Other non-financial assets	446.57	-	446.57
Total assets	**51,622.12**	**27,102.63**	**78,724.75**
Liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises	748.03	-	748.03
Debt securities	1,691.67	974.50	2,666.17
Less: Unamortised Interest		(9.24)	(9.24)
Borrowings (other than debt securities)	36,689.65	20,246.43	56,936.08
Other financial liabilities	94.80	-	94.80
Current tax liabilities (net)	46.33	-	46.33
Lease liabilities	31.93	1,134.78	1,166.71
Provisions	116.81	-	116.81
Other non-financial liabilities	115.93	-	115.93
Total liabilities	**39,535.15**	**22,346.47**	**61,881.62**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL INFORMATION

Maturity analysis of assets and liabilities as at 31 March 2022

Particulars	As at 31 March 2022 Within 12 monhts	After 12 monhts	Total
Assets			
Cash and cash equivalents	3,198.39	-	3,198.39
Bank balance other than cash and cash equivalents	1,805.57	-	1,805.57
Loans	30,618.00	17,649.35	48,267.35
Investments	-	8.04	8.04
Other financial assets	1,080.45	-	1,080.45
Current tax assets (net)	-	19.52	19.52
Deferred tax assets (net)	-	202.25	202.25
Property, plant and equipment	-	1,131.97	1,131.97
Capital work in progess	-	-	-
Other intangible assets	-	53.79	53.79
Right of use of assets	-	92.80	92.80
Other non-financial assets	285.67	-	285.67
Total assets	**36,988.08**	**19,157.72**	**56,145.80**

Liabilities

Trade payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,201.17	-	1,201.17
Debt securities	999.92	500.00	1,499.92
Borrowings (other than debt securities)	26,357.00	11,582.81	37,939.81
Other financial liabilities	59.02	-	59.02
Current tax liabilities (net)	-	-	-
Lease liabilities	104.42	-	104.42
Provisions	95.02	-	95.02
Other non-financial liabilities	72.43	-	72.43
Total liabilities	**28,888.98**	**12,082.81**	**40,971.79**

Maturity analysis of assets and liabilities as at 31 March 2021

Particulars	As at 31 March 2021 Within 12 monhts	After 12 monhts	Total
Assets			
Cash and cash equivalents	453.93	-	453.93
Bank balance other than cash and cash equivalents	921.53	-	921.53
Loans	31,447.00	20,531.44	51,978.44
Investments	-	5.00	5.00
Other financial assets	225.84	-	225.84
Current tax assets (net)	-	-	-
Deferred tax assets (net)	-	161.37	161.37
Property, plant and equipment	-	1,217.69	1,217.69
Capital work in progess	-	-	-
Other intangible assets	-	103.05	103.05
Right of use of assets	-	261.30	261.30
Other non-financial assets	-	212.05	212.05
Total assets	**33,048.30**	**22,491.90**	**55,540.20**

Liabilities

Trade payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises	225.84	-	225.84
Debt securities	1,000.00	2,833.33	3,833.33
Less: Unamortised Interest		-	-
Borrowings (other than debt securities)	24,221.11	12,413.12	36,634.22
Other financial liabilities	126.93	-	126.93
Current tax liabilities (net)	110.42	-	110.42
Lease liabilities	281.14	-	281.14
Provisions	67.54	-	67.54
Other non-financial liabilities	67.57	-	67.57
Total liabilities	**26,100.55**	**15,246.45**	**41,347.00**

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL STATEMENTS

NOTE 45 Liquid Coverage Ratio Disclosure

Particular	Half year ended 30th Sept 2023	Mar-23	Mar-22	Mar-21
Disclosure as per Circular no. RBI/2019-20/88 DOR.NBFC(PD)CC. No.102/03.10.001/2019-20 dated November 04,2019 issued by Reserve Bank of India on " Liquidity Covearge Ratio (LCR)	**15.71**	**14.52**	**4.17**	**6.09**

NOTE 46: Additional Disclosure as per Schdule III

1. Expenditure in foreign currency - Nil, Previous year Nil.

2. Earnings in foreign currency - Nil, Previous year Nil.

3. Information on related parties as required by Accounting Standard (AS)-18– Related Party Disclosures:

a. Holding/subsidiary companies –	NA		
b. Associates –	NA		
c. Key Management Personnel –	a) Manish K Shah	Director
	b) Nikita M Shah	Director
	c) Kirit R Shah	Director
	d) Monil M Shah	Director
	e) Jay Mota	Chief Financial Officer and Director
	f) Bhavisha Jain	Company Secretary

d. Entities / Person(s) controlling – Manish K Shah, Nikita M Shah and Monil M Shah

4. Expenditure in Corporate Social Responsibility **(Rs. in lakhs)**

Particular	Half year ended 30th Sept 2023	2022-23	2021-22	2020-21
Unspent amount (opening Balance)	-	-	-	-
Gross amount required to be spent during the year	-	26.00	29.28	27.18
Amount approved by the Board to be spent during the year	-	-	-	-
Amount Spent during the year	-	27.50	30.00	27.50
Unspent amount (Closing Balance)	-	-	-	-

5. Disclosure under the Micro, Small and Medium Enterprises Development Act 2006 to the extent the Company has received intimation from parties under the Act.

Particulars	Half year ended 30th Sept 2023	31st March, 2023	31st March, 2022	31st March, 2021
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year				-
Principal amount due to Micro and small enterprises	-	-	-	-
Interest due on above but not claimed by the parties	-	-	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
(iii)The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-	-
(iv)The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
(v)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been indentified on the basis of information collected by Management.This has been relied upon by Auditors.	-	-	-	-

6. Pursuant to the amendments to Schedule III vide MCA circular dated March 24, 2021, the following ratios are presented:

Particular	**Numerator**	**Denominator**	**Half year ended 30th Sept 2023**	**2022-23**	**2021-22**	**2020-21**
(a) Current Ratio	Total current assets	Total current liabilities	10.40	11.25	3.99	2.99
(b) Debt-Equity Ratio,	Debt and Borrowings	Total Equity	3.51	3.54	2.60	2.85
(c) Debt Service Coverage Ratio,	NA	NA	NA	NA	NA	NA
(d) Return on Equity Ratio,	Profit after tax	Total share holder's Equity	9.13%	9.91%	6.47%	6.71%
(e) Inventory turnover ratio,	NA	NA	NA	NA	NA	NA
(f) Trade Receivables turnover ratio,	NA	NA	NA	NA	NA	NA
(g) Trade payables turnover ratio,	NA	NA	NA	NA	NA	NA
(h) Net capital turnover ratio,	NA	NA	NA	NA	NA	NA
(i) Net profit ratio,	Profit after tax	Total Revenue from operation	19.17%	12.52%	9.20%	9.01%
(j) Return on Capital employed,	Profit before tax	Total share holder's Equity	11.51%	13.53%	8.34%	9.06%
(k) Return on investment	Income generated from invested funds	Investment	NA	NA	NA	NA

There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

7. Title deeds of immovable property not held in the name of the company:

All Titel Deed of the Property is in the name of Company **(Rs. in lakhs)**

Relevant line item in the Balance Sheet	Description of an item of property	**Half year ended 30th Sept 2023**	**2022-23**	**2021-22**	**2020-21**
PPE	Land & Building	178.71	178.71	178.71	178.71
Investment in property	Land & Building				
PPE retired from active use and held for disposal					
Others					

Land is in the name of Theme Infotech Pvt Ltd which is related party and on that Building was developed and on that land we are paying rent which is considered Lease under Ind AS 116.

8. There are no transactions with the Struck off Companies under Section 248 or 560 of the Companies, Act 2013.

9. The Company being an non-banking finance company, as part of its normal business, grants loans and advances to its customers, other entities and persons ensuring adherence to all regulatory requirements. Further, the company has also borrowed funds from banks, financial institutions in compliance with regulatory requirements in the ordinary course of business.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

10. 'The Company has regrouped, reclassified and restated previous year figures to confirm to this year's presentation.

Note - 47 -Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 pertaining to Resolution Framework for COVID-19-related Stress are as under :-

Sep-23

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (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 the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans					
Corporate persons*					
Of which MSMEs					
Others	2.90	0.02	0.15	1.65	1.08
Total	2.90	0.02	0.15	1.65	1.08

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Mar-23

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (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 the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans					
Corporate persons*					
Of which MSMEs					
Others	7.56	0.22	0.07	4.37	2.90
Total	7.56	0.22	0.07	4.37	2.90
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

Mar-22

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (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 the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans					
Corporate persons*					
Of which MSMEs					
Others	37.27	56.94	0.83	0.83	12.38
Total	37.27	56.94	0.83	0.83	12.38
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

Mar-21

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (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 the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans					
Corporate persons*					
Of which MSMEs					
Others	130.15	3.49	0.28	43.4	83.26
Total	130.15	3.49	0.28	43.4	83.26
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

MANBA FINANCE LIMITED
NOTES TO RESTATED FINANCIAL STATEMENTS

Note - 48 - Details of loans transferred during the quarter ended March 31, 2023 under the RBI Master Direction on Transfer of loan Exposures dated September 24,2021 are given below :

Particulars	To others
Number of loans sold	6101
Aggregate amount (Rs.in Lakhs)	27.13
Sale consideration (Rs.in Lakhs)	27.13
Number of transactions	1
Weighted average maturity in months (remaining)	27
Weighted average holding period in months	14
(after origination)	
Retention of beneficial economic interest(average)	10%
Coverage of tangible security coverage	100%

MANBA FINANCE LIMITED
NOTES TO FINANCIAL INFORMATION

Note - 49 - Registration of charges or Satisfaction with Registrar of Companies(ROC)

Brief Description of Charge	Location of Registrar	Period by which charge had to be satisfied	Reason for delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 29 September 2023 in relation to Registration of charge for loan facility aggregating to ₹ 25 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of PIRAMAL TRUSTEESHIP SERVICES PRIVATE LIMITED as per Registration letter dated 21 September 2023 in relation to Registration of charge for loan facility aggregating to ₹ 20 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of SUNDARAM FINANCE LIMITED as per Registration letter dated 12 September 2023 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED as per Registration letter dated 08 September 2023 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED as per Registration letter dated 06 September 2023 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of ELECTRONICA FINANCE LIMITED as per Registration letter dated 27 July 2023 in relation to Registration of charge for loan facility aggregating to ₹ 5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of FINCARE SMALL FINANCE BANK LIMITED as per Registration letter dated 24 July 2023 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 23 June 2023 in relation to Registration of charge for loan facility aggregating to ₹ 2.9748896 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MUTHOOT MONEY LIMITED as per Registration letter dated 09 June 2023 in relation to Registration of charge for loan facility aggregating to ₹ 8 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of IDFC FIRST BANK LIMITED as per Registration letter dated 30 May 2023 in relation to Registration of charge for loan facility aggregating to ₹ 20 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of AMBIT FINVEST PRIVATE LIMITED as per Registration letter dated 30 May 2023 in relation to Registration of charge for loan facility aggregating to ₹ 11 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MUTHOOT CAPITAL SERVICES LIMITED as per Registration letter dated 31 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MANAPPURAM FINANCE LIMITED as per Registration letter dated 29 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NABSAMRUDDHI FINANCE LIMITED as per Registration letter dated 27 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 8 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NABSAMRUDDHI FINANCE LIMITED as per Registration letter dated 27 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 2 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 24 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 1.8382862 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of UTKARSH SMALL FINANCE BANK LIMITED as per Registration letter dated 23 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 17.5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of HINDUJA LEYLAND FINANCE LIMITED as per Registration letter dated 21 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 16 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MUTHOOT MONEY LIMITED as per Registration letter dated 15 March 2023 in relation to Registration of charge for loan facility aggregating to ₹ 7 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 27 February 2023 in relation to Registration of charge for loan facility aggregating to ₹ 2.0730390 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay

Registration of charge of SBM BANK (INDIA) LIMITED as per Registration letter dated 07 February 2023 in relation to Registration of charge for loan facility aggregating to ₹ 20 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 30 January 2023 in relation to Registration of charge for loan facility aggregating to ₹ 1.3013500 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of AMBIT FINVEST PRIVATE LIMITED as per Registration letter dated 24 January 2023 in relation to Registration of charge for loan facility aggregating to ₹ 5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of VERDHMAAN TRUSTISHIP PRIVATE LIMITED as per Registration letter dated 23 January 2023 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of STCI FINANCE LIMITED as per Registration letter dated 28 December 2022 in relation to Registration of charge for loan facility aggregating to ₹ 20 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 26 December 2022 in relation to Registration of charge for loan facility aggregating to ₹ 2.4989813 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MAS FINANCIAL SERVICES LIMITED as per Registration letter dated 22 December 2022 in relation to Registration of charge for loan facility aggregating to ₹ 3 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 29 November 2022 in relation to Registration of charge for loan facility aggregating to ₹ 20 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED as per Registration letter dated 23 November 2022 in relation to Registration of charge for loan facility aggregating to ₹ 4.2148852 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MUTHOOT FINANCE LIMITED as per Registration letter dated 08 November 2022 in relation to Registration of charge for loan facility aggregating to ₹ 5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MUTHOOT VEHICLE & ASSET FINANCE LIMITED as per Registration letter dated 08 November 2022 in relation to Registration of charge for loan facility aggregating to ₹ 5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of INCRED FINANCIAL SERVICES LIMITED as per Registration letter dated 07 October 2022 in relation to Registration of charge for loan facility aggregating to ₹ 6.5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 29 September 2022 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of JANA SMALL FINANCE BANK LIMITED as per Registration letter dated 24 September 2022 in relation to Registration of charge for loan facility aggregating to ₹ 30 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MANAPPURAM FINANCE LIMITED as per Registration letter dated 21 September 2022 in relation to Registration of charge for loan facility aggregating to ₹ 20 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MUTHOOT FINANCE LIMITED as per Registration letter dated 09 September 2022 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED as per Registration letter dated 05 September 2022 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MAS FINANCIAL SERVICES LIMITED as per Registration letter dated 01 September 2022 in relation to Registration of charge for loan facility aggregating to ₹ 5Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 29 August 2022 in relation to Registration of charge for loan facility aggregating to ₹ 1.3447266Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 28 July 2022 in relation to Registration of charge for loan facility aggregating to ₹ 10.5078644Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MAS FINANCIAL SERVICES LIMITED as per Registration letter dated 28 June 2022 in relation to Registration of charge for loan facility aggregating to ₹ 5Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of A. K. CAPITAL FINANCE LIMITED as per Registration letter dated 03 June 2022 in relation to Registration of charge for loan facility aggregating to ₹ 15Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 02 May 2022 in relation to Registration of charge for loan facility aggregating to ₹ 12.0135733Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay

Registration of charge of IDFC FIRST BANK LIMITED as per Registration letter dated 08 April 2022 in relation to Registration of charge for loan facility aggregating to ₹ 30 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of INCRED FINANCIAL SERVICES LIMITED as per Registration letter dated 28 March 2022 in relation to Registration of charge for loan facility aggregating to ₹ 5Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of UTKARSH SMALL FINANCE BANK LIMITED as per Registration letter dated 25 March 2022 in relation to Registration of charge for loan facility aggregating to ₹ 12 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED as per Registration letter dated 21 February 2022 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of SUNDARAM FINANCE LIMITED as per Registration letter dated 25 July 2023 in relation to Registration of charge for loan facility aggregating to ₹ 20 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of State Bank of India as per Registration letter dated 26 November 2021 in relation to Registration of charge for loan facility aggregating to ₹ 50 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CAPITAL SMALL FINANCE BANK LIMITED as per Registration letter dated 27 July 2021 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MAS FINANCIAL SERVICES LIMITED as per Registration letter dated 29 June 2021 in relation to Registration of charge for loan facility aggregating to ₹ 5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of MAS FINANCIAL SERVICES LIMITED as per Registration letter dated 29 June 2021 in relation to Registration of charge for loan facility aggregating to ₹ 5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 21 June 2021 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 22 February 2021 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of IDFC FIRST BANK LIMITED as per Registration letter dated 08 April 2022 in relation to Registration of charge for loan facility aggregating to ₹ 2 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of AU SMALL FINANCE BANK LIMITED as per Registration letter dated 06 October 2022 in relation to Registration of charge for loan facility aggregating to ₹ 5 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 09 September 2022 in relation to Registration of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of NORTHERN ARC CAPITAL LIMITED as per Registration letter dated 30 June 2022 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of CATALYST TRUSTEESHIP LIMITED as per Registration letter dated 24 September 2021 in relation to Registration of charge for loan facility aggregating to ₹ 17.7345385 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of IDFC FIRST BANK LIMITED as per Registration letter dated 17 October 2020 in relation to Registration of charge for loan facility aggregating to ₹ 30 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Registration of charge of HINDUJA LEYLAND FINANCE LIMITED as per Registration letter dated 30 September 2020 in relation to Registration of charge for loan facility aggregating to ₹ 15 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG -1 - No Delay
Satisfaction of charge of VERDHMAAN TRUSTISHIP PRIVATE LIMITED as per satisfaction letter dated 16-05-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 20 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AMBIT FINVEST PRIVATE LIMITED as per satisfaction letter dated 21-04-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of CATALYST TRUSTEESHIP LIMITED as per satisfaction letter dated 28-07-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 12.0091488 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of HINDUJA LEYLAND FINANCE LIMITED as per satisfaction letter dated 18-08-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 20 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of NORTHERN ARC CAPITAL LIMITED as per satisfaction letter dated 05-08-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay

Satisfaction of charge of INCRED FINANCIAL SERVICES LIMITED as per satisfaction letter dated 05-07-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of CATALYST TRUSTEESHIP LIMITED as per satisfaction letter dated 18-05-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 13.1769422 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of IDBI TRUSTEESHIP SERVICES LIMITED as per satisfaction letter dated 10-07-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 20 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of UTKARSH SMALL FINANCE BANK LIMITED as per satisfaction letter dated 25-08-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 25 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU SMALL FINANCE BANK LIMITED as per satisfaction letter dated 18-02-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of JANA SMALL FINANCE BANK LIMITED as per satisfaction letter dated 19-04-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 25 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of IDBI TRUSTEESHIP SERVICES LIMITED as per satisfaction letter dated 28-10-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of UJJIVAN SMALL FINANCE BANK LIMITED as per satisfaction letter dated 21-09-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 6Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of IDBI TRUSTEESHIP SERVICES LIMITED as per satisfaction letter dated 25-08-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of NORTHERN ARC CAPITAL LIMITED as per satisfaction letter dated 13-09-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU SMALL FINANCE BANK LIMITED as per satisfaction letter dated 24-08-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 6 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU SMALL FINANCE BANK LIMITED as per satisfaction letter dated 22-04-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of MAGMA FINCORP LIMITED as per satisfaction letter dated 12-07-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of HINDUJA LEYLAND FINANCE LIMITED as per satisfaction letter dated 02-03-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 18 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of NORTHERN ARC CAPITAL LIMITED as per satisfaction letter dated 10-03-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of FINCARE SMALL FINANCE BANK LIMITED as per satisfaction letter dated 30-10-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of SUNDARAM FINANCE LIMITED as per satisfaction letter dated 08-05-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of IDFC FIRST BANK LIMITED as per satisfaction letter dated 20-03-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 30 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of INDUSIND BANK LTD. as per satisfaction letter dated 03-01-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of HINDUJA LEYLAND FINANCE LIMITED as per satisfaction letter dated 06-09-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU SMALL FINANCE BANK LIMITED as per satisfaction letter dated 22-04-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of UJJIVAN SMALL FINANCE BANK LIMITED as per satisfaction letter dated 31-01-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 20 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of NORTHERN ARC CAPITAL LIMITED as per satisfaction letter dated 09-03-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 5 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay

Satisfaction of charge of MANAPPURAM FINANCE LIMITED as per satisfaction letter dated 18-04-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU SMALL FINANCE BANK LIMITED as per satisfaction letter dated 29-03-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of UTKARSH SMALL FINANCE BANK LIMITED as per satisfaction letter dated 25-11-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of NORTHERN ARC CAPITAL LIMITED as per satisfaction letter dated 02-03-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 7.5 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of CAPITAL FIRST LIMITED as per satisfaction letter dated 17-03-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 20 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of MANAPPURAM FINANCE LIMITED as per satisfaction letter dated 24-11-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of TATA CAPITAL FINANCIAL SERVICES LIMITED as per satisfaction letter dated 22-11-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 12 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU SMALL FINANCE BANK LIMITED as per satisfaction letter dated 08-07-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 20 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of HINDUJA LEYLAND FINANCE LIMITED as per satisfaction letter dated 09-06-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr.	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED as per satisfaction letter dated 24-06-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of THE SOUTH INDIAN BANK LIMITED as per satisfaction letter dated 16-01-2023 in relation to satisfaction of charge for loan facility aggregating to ₹ 7 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of SUNDARAM FINANCE LIMITED as per satisfaction letter dated 17-12-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of MANAPPURAM FINANCE LIMITED as per satisfaction letter dated 24-11-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of HINDUJA LEYLAND FINANCE LIMITED as per satisfaction letter dated 14-06-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of IFMR CAPITAL FINANCE LIMITED as per satisfaction letter dated 25-06-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 1 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU SMALL FINANCE BANK LIMITED as per satisfaction letter dated 08-07-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 5 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of IFMR CAPITAL FINANCE PRIVATE LIMITED as per satisfaction letter dated 25-06-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 2 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of KOTAK MAHINDRA BANK LIMITED as per satisfaction letter dated 23-11-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 22.42 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of HINDUJA LEYLAND FINANCE LIMITED as per satisfaction letter dated 14-06-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 7 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of AU FINANCIERS (INDIA) LIMITED as per satisfaction letter dated 29-03-2022 in relation to satisfaction of charge for loan facility aggregating to ₹ 15 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of KOTAK MAHINDRA BANK LIMITED as per satisfaction letter dated 23-11-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay
Satisfaction of charge of KOTAK MAHINDRA BANK LIMITED as per satisfaction letter dated 23-11-2021 in relation to satisfaction of charge for loan facility aggregating to ₹ 10 Cr	ROC- Mumbai	30 days	We have been compliant in filing form CHG- 4 - No Delay

MANBA FINANCE LIMITED
NOTES TO FINANCIAL INFORMATION

50.Notes to restated financial information

50.1 The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the unaudited books of accounts of the Company for the respective

50.2 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date.

Unutilised funds are held by the Company in the form of debt mutual funds and short term fixed deposits till the time the utilisation is made subsequently.

50.3 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 and rules made thereunder, as at 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021.

50.4 Wilful Defaulter:
The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021.

50.5 Undisclosed Income:

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021

50.6 Details of Crypto Currency or Virtual Currency:
The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021.

50.7 Title Deeds of Immovable Properties not held in the name of the Company:
The Company does not hold any immovable property as at 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021. All the lease agreements are duly executed in favour of the Parent Company for properties where the Parent Company is the lessee.

50.8 Revaluation of Property, plant and equipment and Intangible assets
There is no revaluation of Property, plant and equipment and other intangible assets during the year ended 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021.

50.9 Utilisation of Borrowed funds and share premium:

As a part of normal lending business, the Company grants loans and advances on the basis of security/ guarantee provided by the Borrower/ co-borrower and makes investments. These transactions are part of Company normal non-banking finance business, which is conducted ensuring adherence to all regulatoryrequirements.

As per our report of even date

Chartered Accountants
Firm registration number - 120878W

Venus B. Shah
Partner
Membership No. - 109140
UDIN- 24109140BKFTJE5320

Place - Mumbai
Date - 14.02.2024

For and on bahalf of the Baord of Director of
Manba Finance Limited
CIN : U65923MH1996PLC099938

Manish K. Shah	**Monil M. Shah**
Managing Director	**Director**
DIN -00979854	DIN -07054772
Jay K. Mota	**Bhavisha A. Jain**
Director & CFO	**Company Secretary**
DIN -03105256	

Place - Mumbai
Date - 14.02.2024

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the six months ended September 30, 2023	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
Basic earnings per equity share (in ₹)	4.46	4.40	2.59	2.49
Diluted earnings per equity share (in ₹)	4.46	4.40	2.59	2.49
Return on net worth (in %)	9.07	9.84	6.42	6.60
Net asset value per share (in ₹)	49.21	44.71	40.28	37.68
EBITDA (₹ in lakhs)	5,954.92	8,385.19	6,304.11	6,747.35

Notes:

The ratios have been computed as under:

(i) Basic and diluted earnings/ (loss) per share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

(ii) Return on net worth: Profit after tax for the period/year from restated audited financial statement divided by the simple average of monthly total Net Worth of the Company as of the last day of the month starting from the last month of the previous Financial Year and ending with the last month of the current Financial Year.

(iii) Net worth is equivalent to Total Equity, and is the sum of Equity share capital and Other equity as contained in our Restated Financial Information.

(iv) Net assets value per share: Net asset value per share is calculated by dividing net worth by weighted average number of equity shares outstanding at the end of the relevant period.

(v) EBITDA = EBITDA stands for Aggregate of profit after tax from continuing operations from restated audited financial statement before tax expense, finance cost and depreciation and amortisation for the year/period.

(vi) Accounting and other ratios are derived from the Restated Financial Information.

The reconciliation to EBITDA and EBITDA Margin is as follows:

Particulars	As at and for the six months ended September 30, 2023	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
Profit for the period/year (A)	1,680.36	1,658.01	974.02	936.33
Add: Tax expenses (B)	453.15	620.65	292.26	349.39
Add: Depreciation and amortisation expense (C)	225.93	444.64	379.24	362.81
Add: Finance costs (D)	3,595.48	5,661.89	4,658.59	5,098.82
EBITDA (E = A+ B + C + D)	5,954.92	8,385.19	6,304.11	6,747.35
Revenue from operations (F)	8,828.86	13,331.64	10,659.06	10,565.63
EBITDA Margin (G = E/F)	67.45%	62.90%	59.14%	63.86%

The above ratios have been computed on the basis of the Restated Financial Statements for six months ended September 30, 2023 and financial year ending March 31, 2023, March 31, 2022, and March 31, 2021.

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for Fiscals 2023, 2022 and 2021 (collectively, the "Audited Financial Statements") are available on our website at https://www.manbafinance.com/annual-reports/.

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 nor BRLM nor any of its 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 six months ended September 30, 2023 and Fiscals 2023, 2022 and 2021, and as reported in the Restated Financial Information, see "*Restated Financial Statements – Note 39 - Notes to Restated Financial Information – Related Party Disclosures*" on page 287.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2023, derived from our Restated Financial Statements, 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*" and "*Restated Financial Statements*" on pages 355 and 287, respectively.

(in ₹ lakhs, except ratios)

Particulars	Pre-Issue as at September 30, 2023	As adjusted for the Issue#
Total Borrowings		
Current Borrowings (A)	40,431.34	[●]
Non – current Borrowings (B)	24,691.22	[●]
Total Borrowings (C) = (A)+(B)	65,122.56	[●]
Total Equity		
Equity Share Capital (D)	1,255.65	[●]
Reserve and Surplus (E)	17,279.73	[●]
Total Equity (F) = (D) + (E)	18,535.38	[●]
Total Borrowings/Total Equity (C)/(F)	1.33	[●]
Non- Current Borrowing / Total Equity (B)/(F)	3.51	[●]

 # These amounts (as adjusted for the Issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

Notes:

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 have not been provided in the above statement.*

2. *The amounts disclosed above are based on the restated statement of assets and liabilities included in the Restated Financial Information.*

3. *The above statement should be read with the statement of notes to the Restated Financial Information.*

FINANCIAL INDEBTEDNESS

Our Company avails loans and enters into 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 of the borrowing powers of our Board, please see "*Our Management – Borrowing Powers*" on page 247.

Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Issue, including dilution of the current shareholding of our Promoters and members of the Promoter Group, expansion of business of our Company, effecting changes in our capital structure and shareholding pattern.

The aggregate outstanding borrowings (including fund based and non-fund based borrowings) of our Company as on December 31, 2023 as certified by our Statutory Auditors vide certificate dated March 6, 2024, are as follows:

(in ₹ lakhs)

Category of Borrowing	Sanctioned amount	Principal amount outstanding as of December 31, 2023
Secured Loans		
(i) Term loans – banks	26,650.00	18,912.83
(ii) Term loans – financial institutions	38,971.00	24,545.52
(iii) Cash credits	4,900.00	4,249.11
(iv) Securitisation arrangements	26,542.73	14,134.49
(v) NCDs	14,000.00	12,916.67
(vi) Vehicle Loans	60.00	29.97
(vii) Overdraft Facility	200.00	-
Total	**1,11,323.73**	**74,788.58**

Principal terms of our secured borrowings:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financial documentation executed by us in relation to our indebtedness.

1. ***Interest***: In terms of credit facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different credit facilities. In terms of the borrowings availed by us, the interest rate is typically dependent on the guidelines of RBI and lenders and ranges from 8.80% per annum to 13.75% per annum either on a floating rate or linked to base rate, as specified by respective lenders.

   Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into debenture trust deeds ("**DTDs**") and, in terms of such DTDs, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company as of December 31, 2023 typically ranges from 12.60% per annum to 13.10% per annum

2. ***Tenor***: The tenor of the credit facilities, other than vehicle loan, availed by our Company typically ranges from twelve (12) months to fifty-two (52) months. Further, the tenure of the vehicle loan availed by our Company is eighty-four (84) months. Further, the maturity period of the NCDs issued by us is typically twenty-four (24) months to thirty (30) months.

3. ***Security***: Under our Company's financing arrangements for secured borrowings, including NCDs, our Company is typically required to create security primarily by way of, among others, charge over Company's present and future book debts, and receivables, movable properties and vehicles belonging to our Company along with personal/ corporate guarantee by Promoters and certain members of the Promoter Group. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment***: The credit facilities, other than vehicle loan, availed by our Company are typically repayable within a period of up to (fifty-two) 52 months. The vehicle loan availed by our Company is repayable within a period of (eighty-four) 84 months. The term loans and securitisation arrangements are typically repayable in structured monthly instalments. The NCDs are typically repayable in 2 to 30 instalments.

5. ***Pre-payment***: The terms of credit facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding credit facilities, subject to such prepayment penalties as laid down in the facility agreements. The prepayment premium / penalty for the credit facilities availed by us, where specified, typically ranges from 1% to 5% of the sanctioned amount or principal outstanding amount.

6. ***Default/ Penal Interest***: The terms of the credit facilities availed by us prescribe penalties for certain events, such as, or enhanced rates of interest on the credit facilities typically within a range over and above the normal rate or a prescribed amount on the occurrence of certain events including, but not limited to, overdue/ delays/ default in payment of monies, excess drawing beyond the available drawing power or sanctioned limit, delay/non-submission of data and statements and among others. Further, the default/ penal interest payable on the credit facilities availed by us typically ranges up to 36% per annum.

7. ***Restrictive Covenants***: Certain borrowing arrangements entered into by us contain restrictive covenants which requires us to take prior written consent of the respective lender before undertaking certain activities, including:

   a. prepayment of the outstanding principal amounts of the credit facilities availed by our Company;
   b. any amalgamation, demerger, merger, acquisition, corporate or debt restructuring;
   c. undertake any project, implementation of any scheme of expansion/ diversification or capital expenditure or acquisition of fixed assets (except normal replacements indicated in in fund flow statement submitted to and approved by lender) if such investment result into breach of financial covenants or diversion of working capital to financing of long term assets;
   d. invest by way of share capital or lend/ advance funds or place deposits with any other entity;
   e. entering any secured/ unsecured borrowing arrangement with any other bank or financial institution or company or accept deposits which increases our borrowing above limits stipulated by our lenders;
   f. undertake any guarantee obligation on behalf of any other company;
   g. create any charge, lien or encumbrance over undertaking or any part thereof in favour of any bank, financial institution, firm or person;
   h. enter into any contractual obligation which will be detrimental to interest of lenders;
   i. any change in the constitution or control, ownership, shareholding pattern, capital structure and/or management of our Company;
   j. sell, assign, mortgage, or otherwise dispose off any of the fixed assets charged to the lender;
   k. declaration or payment of dividend;
   l. pledge of the shares held by our Promoters or members of Promoter Group;
   m. change in accounting methods or policies;
   n. any amendments to the constitutional documents of our Company;
   o. winding up, liquidation or dissolution of business of our Company or take any steps for the same; and
   p. carry on any general trading activity other than products/ services of our Company.

8. ***Events of Default***: The borrowing arrangements entered into by us contain certain standard events of default, including:

   a. change in the constitution, control, management, majority directors or in the shareholding pattern or profit sharing of our Company without the consent of the lenders to our Company;
   b. failure or inability by our Company to repay any amount due under principal amount or interest;
   c. failure to comply with any provision of the financing documents;
   d. revocation of any requirement or authorization required to be maintained by our Company to carry on business;
   e. cease to carry on the business or change in the nature of business;
   f. revocation of licenses granted by the RBI;
   g. use of borrowing for purposes other than those agreed with lenders;
   h. restructuring of any borrowing credit facilities availed from lenders;
   i. any action or proceeding is initiated in relation to enforcement of any security interest over any assets of our Company or our affiliates;
   j. suspension of or downgrade in credit ratings granted by credit rating agencies;
   k. breach of any covenants, conditions, representations or warranties of financing documents;
   l. cross default under any arrangement for the credit facilities extended by lender;
   m. any misstatement, misrepresentation or misleading information in financing documents;
   n. entering into any arrangement or composition creditors or the committing any act of insolvency or any act the consequence of which may lead to the insolvency or winding up;

o. obligation under financing arrangement or end use of amount borrowed becomes illegal or unlawful;
p. occurrence of any event or existence of any circumstances which jeopardizes interest of lender or threatens the security in respect of the credit facilities;
q. repudiation of a financing document or evidencing an intention to repudiate a financing document;
r. termination of guarantee provided by any guarantor;
s. declaration of borrower or any of its directors or promoter as wilful defaulter by any bank or any financial institution in accordance with RBI guidelines; and
t. occurrence or existence of such events or circumstances, which in the opinion of the lender, could have a material adverse effect.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the ISIN and scrip code of listed non-convertible debentures issued by our Company:

ISIN	Scrip Code	Status	Name of Debenture Holder	Outstanding principal amount as on December 31, 2023 (₹ in lakhs)	Maturity
INE939X07077	975009	Active	Northern Arc Capital Limited	2,083.33	August 3, 2025
INE939X07101	975290	Active	Northern Arc Capital Limited	2,500.00	December 27, 2025
INE939X07093	975151	Active	Northern Arc Capital Limited	4,583.33	October 10, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

To obtain a complete understanding of our Company, prospective investors should read the following discussion in conjunction with "Risk Factors", "Industry Overview", "Our Business", "Selected Statistical Information", and "Restated Financial Information" on pages 33, 134, 196, 270 and 287.

Unless otherwise indicated or the context otherwise requires, the financial information for the six-months ended September 30, 2023, and Fiscals 2023, 2022 and 2021, included herein is derived from the Restated Financial Information, included in this Red Herring Prospectus. For further information, see "Restated Financial Information" on page 287.

Our Fiscal year ends on March, 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.

*The industry and market information contained in this section has been derived from a report titled "Industry Report on NBFC Sector in India" dated November 2023 which was commissioned by and paid for by our Company (the "**CRISIL Report**") in connection with the Issue. The CRISIL Report is available on our Company's website at www.manbafinance.com/investor-relation/.*

Certain non-GAAP financial measures and certain other statistical and operational information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. For further details, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 20.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 24 and 33, respectively. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.

Overview

We are a NBFC-BL providing financial solutions for New 2Ws, 3Ws, EV2Ws, EV3Ws, Used Cars, Small Business Loans and Personal Loans with an AUM size of more than ₹ 80,000 lakhs as on December 31, 2023. About 99% of our loan portfolio comprises of New Vehicle Loans with an average ticket size (ATS) of around ₹ 0.80 lakhs. We provide financial solutions to our target customers who are looking for a quick turnaround time (TAT) for loan sanction and disbursement. We are based out of Mumbai, Maharashtra and operate out of 65 Locations connected to 28 branches across five (5) states in western, central and north India. We have established deep and long-term relationships with more than 850 Dealers, including more than 60 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh. We have recently expanded our loan portfolio to Used Car Loans, Small Business Loans and Personal Loans and we intend to leverage our existing network to further penetrate the market with our new products.

According to the CRISIL Report, among our compared peers:

- Manba Finance had the highest share of Two-wheeler loans at 96% of AUM followed by Berar Finance at 95% of AUM at end of fiscal 2023.
- Manba Finance had highest AUM per branch at Rs. 2,640.3 Lakhs in fiscal 2023. In terms of other operational metrics, Manba Finance have witnessed the fastest growth in branches with CAGR of 31%.
- Manba Finance had third highest Yields and fourth highest NIMs in FY2023
- Manba Finance had third highest Return on Assets (RoA) at 2.2% in FY2023.
- Manba Finance had the third lowest credit cost of 0.7% in Fiscal 2023. In terms of asset quality, Manba Finance is among the top four financier among the peers with Gross Non-Performing Asset (GNPA) of 3.7% in FY2023. *(Source: CRISIL Report)*

CRISIL MI&A expects NBFC credit to grow at 12-14% CAGR between fiscal 2023 and fiscal 2025. Their share in the overall credit pie has increased from 12% in Fiscal 2008 to 18% in Fiscal 2023 and projected to be remained stable in fiscal 2024. CRISIL MI&A believes that NBFCs will remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are not catered by Banks. *(Source: CRISIL Report)*

Our target customers are mainly (i) salaried; and (ii) self-employed. We customise our offerings as per each of these categories of customers and prepare tailor-made schemes to attract them to avail loans from us. We normally fund upto 85% of the purchase price (*on road price*) of the vehicle proposed to be acquired by the customer and prefer the customer to contribute the balance. This is the ideal funding proportion and equity commitment for the purchase of the vehicle as it ensures financial discipline on the part of the customer and reduces defaults. Our underwriting process has allowed us to manage defaults and NPAs for the period ended September 30, 2023 and Fiscals 2023, 2022, and 2021. Our Gross NPA was 3.90%, 3.74%, 4.94% and 2.79% for the six months period ended September 30, 2023, Fiscals 2023, 2022 and 2021, respectively, and Net NPA was 3.16%, 3.14%, 4.30% and 2.37% for the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, respectively.

We have a centralised credit team which remotely reviews loan applications and undertakes credit decisions primarily based on the credit data of the customer. We have implemented a comprehensive and robust credit assessment, risk management and collections framework to identify, monitor and manage risks inherent in our line of business. We base our credit decisions on certain key factors like our internal credit policies, LTV and the customer's existing cash-flows, CIBIL score and the collateral, which in case of vehicle finance is the vehicle itself, to assess the ability and capability of the customer to repay the loan to be disbursed by our Company. We have established business processes and technologies to facilitate the sanction of more than 85% loans on the same day of the application. We also have an in-house collection team which focuses on recovery of the monthly instalments from our customers. Our collection management process ensures account-level tracking of payments, resolution of queries, and initiation of legal actions, where required.

We have an extensive network with presence at 65 Locations served by 28 Branches as of January 31, 2024, in the states of Maharashtra, Gujarat, Rajasthan, Chhattisgarh and Madhya Pradesh. We commenced our business in 1998 as a NBFC from Mumbai, Maharashtra and scaled up our operations from 2009 by way of growth in number of branches and locations across states. Our Branches are located in urban, semi-urban and metropolitan cities and towns which serves the surrounding rural areas.

We secure our funding from diversified sources including term loans and cash credit facilities from public sector banks, private sector banks, small finance banks & other financial institutions and PTC and issuance of privately placed listed and unlisted NCDs to meet our capital requirements. As of September 30, 2023 and Fiscals 2023, 2022 and 2021, our total borrowings were ₹ 65,122.56 lakhs, ₹ 59,593.01 lakhs, ₹ 39,439.73 lakhs and ₹ 40,467.55 lakhs, respectively. Our average cost of borrowings as of September 30, 2023 and Fiscals 2023, 2022 and 2021 was 5.67%, 11.19%, 11.61% and 12.70%, respectively. As of September 30, 2023 and Fiscals 2023, 2022 and 2021, the weighted average residual tenure of our borrowings, was 26.88 months, 27.12 months, 28.89 months and 28.08 months, respectively. Further, our long-term and short-term ratings by CARE Rating Limited and ACUITE Rating & Research are BBB+ and A-, respectively.

Significant Factors Affecting our Financial Condition and Results of Operations

A number of important factors, including the following affect our results of operation and financial condition:

Availability of cost-effective sources of capital

We have historically secured financing from diversified sources of capital from banks, financial institutions and other financial institutions, including term loans, proceeds from loans securitized, proceeds from the issuance of NCDs, proceeds from loans assigned, commercial papers, cash credit limits and overdraft facilities to meet our funding requirements. In addition, we have access to capital from our Promoter. As a result, the availability of cost-effective funding sources affects our results of operations. The availability for funding as well as the overall cost of borrowing depends on many external factors, including developments in the Indian economy and its credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect the availability of funding and our cost of borrowing include our credit ratings and available credit limits. See *"Credit Ratings"* on page 378 as well as *"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 and financial condition"* on page 45. The following table sets forth details of our total borrowings, average cost of borrowing and cost of incremental borrowings as of the dates and for the periods indicated:

Particulars	As of and for the six months period ended September 30, 2023#	As of and for Fiscal		
		2023	2022	2021
Total Borrowings (₹ lakhs)	65,122.56	59,593.01	39,439.73	40,467.55
Average cost of borrowing (%)	5.67	11.19	11.61	12.70
Cost of incremental borrowings* (%)	6.16	12.34	11.49	12.39

** This refers to new loans sanctioned in the relevant period.*
#Not annualized and same are the actual figures for the financial year/ period.

The increase in cost of incremental borrowing from Fiscal 2022 to Fiscal 2023 was primarily due to an increase in interest rates, which was in turn primarily attributable to an increase in the repo rate by the RBI. Our ability to continue to meet customer demand for new loans will depend primarily on our ability to borrow from various external sources on suitable terms and in a timely manner. 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. For further details in relation to our Promoter, see *"Our Business – Overview"* and *"Our Promoter and Promoter Group"* on pages 196 and 258, and for further details in relation to our borrowings, see *"Financial Indebtedness"* on page 352.

Further, our ability to raise debt to meet our funding requirements is restricted by the limits prescribed under applicable regulations. For instance, as per the NBFC Scale Based Regulations, NBFCs are required to have a Net Owned Fund **("NOF")** of at least ₹ 200 lakhs.

Volatility in borrowing and lending rates

Our results of operations depend substantially on our net interest income. Any change in interest rates would affect our interest income and our finance costs, and directly impact our results of operations because our core business is based on achieving a margin between the cost at which we can obtain funds and the yields we can achieve in extending loans. Our interest income constitutes the largest component of our revenue from operations. For the half year ended September 30, 2023, and Fiscals 2023, 2022 and 2021, our interest income as a percentage of our revenue from operations was 83.84%, 93.73%, 88.17% and 91.48% respectively.

Our finance costs represented 40.72%, 42.47%, 43.69% and 48.21% of our total income for six months period ended September 30, 2023, and Fiscals 2023, 2022 and 2021, respectively. Interest rates are sensitive and volatility in interest rates could be a result of many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial services sector in India, domestic and international economic and political conditions and competition among various lending institutions in India. Moreover, interest rates in India are typically correlated with the inflation rate, and as the inflation rate increases, the RBI has historically sought to raise interest rates. See "*Risk Factors – We are affected by volatility in interest rates in our treasury operations, which could cause our net interest income and net interest margin to vary and consequently affect our profitability.*" and *"- Quantitative and Qualitative Analysis of Market Risks"* on page 43 and 378.

Credit quality and provisioning

Our ability to manage the credit quality of our loan portfolio, which we measure in part through non-performing assets ("**NPA**"), 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. We classify NPAs in accordance with the NBFC Scale Based Regulations Directions and applicable Ind AS rules. For further details of the composition of our loans across classification stages, as well as the provisioning thereof, see *"Our Business – Our Strengths – Extensive collections infrastructure and processes leading to maintenance of our Company's asset quality."* on page 201.

The following table sets forth the LTV as on September 30, 2023, March 31, 2023, March 31 2022 and March 31, 2021:

Particulars	As of September 30, 2023	As of		
		March 31, 2023	March 31, 2022	March 31, 2021
	(in percentage)			
New Vehicle Loans				
Two-wheeler	77.79	79.00	78.86	78.23
Three-wheeler	76.69	88.14	N.A.	N.A.
Top-up loans	58.82	55.64	63.42	57.00
Used Vehicle	49.84	56.63	48.42	49.23
Personal Loans	0.00	N.A.	N.A.	N.A.

The following table sets forth details of our Stage 3 Loans for the periods as of September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	As of September 30, 2023	As of		
		March 31, 2023	March 31, 2022	March 31, 2021
Stage 3 Loans (₹ lakhs)	2,770.81	2,368.68	2,450.04	1,478.11
Stage 3 Loans to Total Gross Loan Book (%)	3.90	3.74	4.94	2.79
Stage 3 Loan Assets (Net) (₹ lakhs)	2,244.36	1,989.69	2,131.53	1,256.51
Stage 3 Loan Assets (Net) to Total Net Loans (%)	3.16	3.14	4.30	2.37

Investment in technology

We are a technology driven company, which enables us to expand and scale our businesses and drive growth in revenue at lower incremental costs. The following table sets forth details of our investment in information technology and digital systems for the periods indicated:

Particulars	For six-months ended September 30, 2023	For Fiscals		
		2023	2022	2021
Investment in information technology and digital systems (₹ lakhs)	14.57	35.19	12.72	21.97
Investment in information technology and digital systems as % of revenue from operations (%)	0.17	0.26	0.12	0.21

We leverage our information technology platforms to drive economies of scale through increase in productivity, reduce turnaround time in processing and reduce transaction costs. Our ability to grow our customer base, improve customer experience and increase our revenues will depend, in part, on our ability to leverage technology. We plan to continue investing in technology and digitization, and to ensure that our information technology systems continue to help us with several functions, including loan origination, credit underwriting, risk management, collections, customer service and retention. We believe that such investments will help improve recoveries and reduce our operating expenses, our cost of customer acquisition and credit costs over time.

Expansion of branch network

As part of our growth strategy, we intend to expand our branch network through contiguous expansion in the regions in India where we have a presence and expand to adjacent geographies by evaluating areas with established credit culture. Our results of operations will be affected by our ability to manage operating expenses as we expand, in particular, our employee benefits expenses. As we have expanded our branch network, we have increased our employee headcount. As we further expand our branch network, we will need to increase headcount. The following table sets forth details of our employee benefits expense for the periods indicated:

Particulars	For the six months period ended September 30, 2023	For Fiscals		
		2023	2022	2021
Employee benefits expenses (₹ lakhs)	1,678.99	2,799.86	2,287.14	1,907.36
Employee benefits expenses as % of total revenue from operations (%)	19.02	21.00	21.46	18.05

However, as our operations expand, we also expect to derive benefits from economies of scale, which we believe will assist us in optimizing our operating expenses.

Government policy and regulations

We operate in a highly regulated industry, and we have to adhere to various laws, rules and regulations. Our financial condition, results of operations and continued growth also depend on stable government policies and regulations. We are required to comply with, among others, limits on borrowings, investments and interest rates, prudential norms for income recognition, asset classification, and norms for creation of special reserves as well as minimum capital adequacy requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment. Any significant change by the Government or the RBI in their various policy initiatives may affect the demand for our products and services. For instance, as per the NBFC Scale Based Regulations Directions, NBFCs are required to have a NOF of at least ₹ 200.00 lakhs. As of September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, our NOF was ₹ 18,535.38 lakhs, ₹ 16,843.13 lakhs, ₹ 15,174.38 lakhs and ₹ 14,193.21 lakhs, respectively. For details in relation to our capital adequacy ratio, see *"- Capital to risk-weighted assets ratio"* on page377. For further details, see *"Key Regulations and Policies"* on page 222.

General economic conditions in India

Our results of operations are affected by the general economic conditions prevalent in India, as well as the perception of those conditions and future economic prospects. Overall economic growth and an increase in GDP are likely to result in an increase in incomes and spending on business expansion in India, which may lead to an increase in demand for retail loans. Conversely, a slowdown in the Indian economy could adversely affect our business and our borrowers, especially if such a slowdown were to be continued and prolonged. Several factors beyond our control, such as developments in the Indian economy and domestic employment levels, conditions in the world economy, fluctuations in interest rates, movements in global commodity markets and exchange rates could have either a positive or an adverse impact on the quality of our Gross Loan Book. Any trends or events, which have a significant impact on the economic situation in India could have an adverse impact on our business.

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

- it led to a temporary closure of our offices and branches and caused a decline in general economic and business activity, which resulted in slowing down of disbursements of retail instalment loans by our Company; we disbursed vehicle loans amounting to ₹ 24,044.54 lakhs, ₹ 42,669.48 lakhs, ₹ 29,060.23 lakhs and ₹ 26,761.19 lakhs for the six-months ended September 30, 2023 and Fiscals 2023, 2022, and 2021, respectively;

- pursuant to circular dated March 27, 2020 on 'COVID-19 regulatory package' issued by RBI, we granted moratorium to the loan instalments due during the period from March 1, 2020 to August 31, 2020 on the eligible loan accounts; the RBI also clarified that for all standard accounts as on February 29, 2020, moratorium period will be excluded from days past-due ("DPD") calculation for the purpose of asset classification under the norms on income recognition and asset classification. Moratorium was granted by us to certain instalment loan customers for the period between March 1, 2020, and August 31, 2020;

- our customers who primarily belong to the low- and middle-income groups have less financial wherewithal than other borrowers and may default on their repayment obligations due to the hardships suffered during or as a result of the COVID-19 pandemic, and accordingly, this could lead to an increase in our NPAs and credit losses;

- restrictions on movement of people during the lockdown has adversely impacted our cash collections due to the inability of employees to make on-field visits.

Value of collateral

Our loan products include vehicle loans to customers. Our vehicle loan products are secured by the vehicle as collateral. We may face difficulties in recovering the amounts against vehicle collateral for various reasons such as economic downturn or difficulty in repossessing and liquidating vehicles we hold as collateral against our loan products. For further details in relation to the risks relating to recovery of collateral, see *"Risk Factors – Our inability to adequately assess and recover the assessed or full value of collateral or amounts outstanding under defaulted loans in a timely manner, or at all, could adversely affect our business, results of operations and financial condition."* on pages 37.

Material Accounting Policies

Critical accounting estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

Effective interest rate ('EIR') method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's expected credit loss (ECL) calculations are output of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

(a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

(b) Development of ECL models, including the various formulas and the choice of inputs.

(c) Determination of associations between macroeconomic scenarios and economic inputs as gross domestic products, and the effect on probability of default (PD), exposure at default ("EAD) and loss given default ('LGD').

(d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Changes in significant accounting policies

Migration to IndAS

The company migrated to IndAS in FY 2021-22 taking FY 2020-21 as the transition period.

Change in Accounting Policy for Amortization of Dealer Commissions and Associated Costs

In the course of our financial review and in compliance with Ind AS 115 on Revenue Recognition, we have retrospectively adjusted our accounting policy for the recognition of dealer commissions, dealer incentives, and processing fees to dealers. This change is in accordance with IndAS 8, which requires changes in accounting policies and corrections of prior period errors to be carried out retrospectively.

Pursuant to paragraph 19 of IndAS 8, the entity has accounted for this change in accounting policy retrospectively, as there are no specific transitional provisions applying to this change within IndAS 115. Consequently, the opening balances of affected components of equity for the earliest prior period presented and other comparative amounts have been adjusted as if the new accounting policy had always been applied, in accordance with paragraph 22 of IndAS 8. For further details, see *"Change in Accounting Policy for Amortization of Dealer Commissions and Associated Costs" on page 361.*

Apart from above, as on the date of the filing of this Draft Red Herring Prospectus, there are no changes in the significant accounting policies in the last three Fiscals and the six-months ended September 30, 2023.

Key Components of Income and Expenses

We report our income and expenditure in the following manner:

Total revenue

Total revenue from operations

Our total revenue from operations primarily comprises interest income, other financial charges and commission income, interest on fixed deposits. Interest income primarily includes interest on loans and income on direct assignment.

Other income

Our other income primarily comprises of profit on sale of short-term investments & property, plant & equipment and Income from mutual fund.

Expenses

Finance costs

Finance costs primarily comprise interest on borrowings (other than debt securities), interest on debt securities, interest on lease liabilities and other finance charges.

Impairment on financial instruments and other receivables

Impairment on financial instruments and other receivables primarily comprises bad debts and write off, and provision for impairment loss allowance recognized on loans, investment and trade receivables and others.

Employee benefits expenses

Employee benefit expenses primarily comprise salaries and wages, contribution to provident and other funds, gratuity expenses and staff welfare expenses.

Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses include depreciation on property, plant & equipment, amortization of intangible assets and depreciation of right-of-use assets.

Other expenses

Other expenses primarily comprise statutory auditors remuneration, business promotion expenses, CIBIL charges, computer & software charges, commission expenses, conveyance expenses, CSR expenses, document & stamping charges, goods and services tax, security charges, electricity charges, field inspection charges, office expenses, postage & telegram, printing & stationery, professional & consultancy fees, incentive to dealer, rent, rates & taxes, repairs & maintenance and loss on sale to ARC.

Tax expenses

Our tax expenses primarily comprise current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. We measure our deferred tax based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Other comprehensive income

Other comprehensive income / (loss) comprises (i) re-measurement gain / (losses) on defined benefit plans; (ii) tax effect on (i) above; (iii) Gain on fair value of equity instruments; and (iv) Income tax impact on (iii).

Our Results of Operations

The following table sets forth select financial data from our restated statement of profit and loss for six months period ended September 30, 2023, and Fiscals 2023, 2022 and 2021 and we have expressed the components of select financial data as a percentage of total revenue for such financial years/ period:

(₹ in lakhs)

Particulars	For six months period ended September 30, 2023		For Fiscals					
			2023		2022		2021	
	Amount	% of total income	Amount	% of total income	Amount	% of total income	Amount	% of total income
Revenue from operations								
Interest income	7,401.74	83.84	12,496.17	93.73	9,397.99	88.15	9,665.27	91.38
Other operating income	1,427.12	16.16	835.47	6.27	1,261.07	11.83	900.36	8.51
Net gain on fair value changes	-	-	-	-	-	-	-	-
Total revenue from operations	**8,828.86**	**100.00**	**13,331.64**	**100.00**	**10,659.06**	**99.97**	**10,565.63**	**99.90**
Other Income	0.07	0.00	0.07	0.00	2.88	0.03	10.80	0.10
Total Income	**8,828.93**	**100.00**	**13,331.71**	**100.00**	**10,661.94**	**100.00**	**10,576.43**	**100.00**
Expenses								
Finance costs	3,595.48	40.72	5,661.89	42.47	4,658.59	43.69	5,098.82	48.21
Impairment on financial instruments and other receivables	479.65	5.43	831.31	6.24	1,003.59	9.41	770.25	7.28
Employee benefit expenses	1,678.99	19.02	2,799.86	21.00	2,287.14	21.45	1,907.36	18.03
Depreciation, amortization and impairment	225.93	2.56	444.64	3.34	379.24	3.56	362.81	3.43
Other expenses	715.37	8.10	1,315.35	9.87	1,067.10	10.01	1,151.48	10.89
Total expenses	**6,695.42**	**75.84**	**11,053.05**	**82.91**	**9,395.66**	**88.12**	**9,290.72**	**87.84**
Profit before tax	**2,133.51**	**24.16**	**2,278.66**	**17.09**	**1,266.28**	**11.88**	**1,285.71**	**12.16**
Tax expenses:								
Current tax	530.88	6.01	569.22	4.27	335.52	3.15	430.01	4.07
Deferred tax (net)	(77.73)	(0.88)	51.42	0.39	(43.27)	(0.41)	(80.62)	(0.76)
Profit/ (loss) for the period/year	**1,680.36**	**19.03**	**1,658.01**	**12.44**	**974.02**	**9.14**	**936.33**	**8.85**
Other comprehensive income/(loss)	11.83	0.13	10.77	0.08	7.11	0.07	15.97	0.15
Total comprehensive income/(loss)	**1,692.19**	**19.17**	**1,668.78**	**12.52**	**981.13**	**9.20**	**952.30**	**9.00**

Performance for half year ended September 30, 2023

Total income

Our total income was ₹ 8,828.93 lakhs for half year ended September 30, 2023. This was primarily attributable to revenue from operations.

Revenue from operations

Our revenue from operations was ₹ 8,828.86 lakhs for half year ended September 30, 2023, primarily attributable to interest income of ₹ 7,401.74 lakhs and other operating income of ₹ 1,427.12 lakhs for half year ended September 30, 2023.

Interest income

Our interest income consisted of interest on loans of ₹ 7,401.74 lakhs for half year ended September 30, 2023, following were the key metrics for the period mentioned:

- AUM was ₹ 73,373.41 lakhs as on September 30, 2023. The growth in AUM was primarily due to an increase in vehicle loans.
- Disbursements amounting to ₹ 24,044.54 lakhs were made for the half year ended September 30, 2023.

Other operating income

Our other operating income majorly consisted of other financial charges of ₹ 261.05 lakhs, commission income of ₹ 117.77 lakhs, interest on fixed deposits of ₹ 109.46 lakhs, interest on SD of ₹ 2.99 lakhs and operating profit on revaluation of security receipts (ARC) of ₹ 935.85 lakhs.

Total Expenses

For the reasons discussed below, our total expenses were ₹ 6,695.42 lakhs for half year ended September 30, 2023. This accounts for 75.84% of total income resulting in profit before taxes of ₹ 2,133.51 lakhs for half year ended September 30, 2023.

Finance costs

The finance cost was ₹ 3,595.48 lakhs for half year ended September 30, 2023, primarily attributable to interest on borrowings (other than debt securities) of ₹ 3,398.69 lakhs, interest on debt securities of ₹ 23.13 lakhs, interest on lease liabilities of ₹ 59.24 lakhs and other finance charges of ₹ 114.42 lakhs for half year ended September 30, 2023. Following were the key metrics for the period mentioned:

- total borrowings was ₹ 65,122.56 lakhs as on September 30, 2023.
- the incremental cost of borrowings stayed constant at 6.16% (not annualized) during the half year ended September 30, 2023.

Impairment on financial instruments and other receivables

The impairment on financial instruments and other receivables was ₹ 479.65 lakhs for the half year ended September 30, 2023.

Employee benefits expenses

The employee benefits expense was ₹ 1,678.99 lakhs for half year ended September 30, 2023, primarily consisting of salary, wages & bonus of ₹ 1,562.23 lakhs, contribution to provident & other fund of ₹ 73.11 lakhs, gratuity expenses of ₹ 24.07 lakhs and staff welfare expenses of ₹ 19.58 lakhs for half year ended September 30, 2023. Our number of on-roll employees were 1,154 as of half year ended September 30, 2023.

Depreciation, amortization, and impairment

Our depreciation, amortization and impairment expense were ₹ 225.93 lakhs for half year ended September 30, 2023. This was attributable to depreciation on PPE of ₹ 91.70 lakhs, right to use assets of ₹ 128.33 lakhs and amortization on intangible assets of ₹ 5.90 lakhs for half year ended September 30, 2023.

Other expense

Our other expenses were ₹ 715.37 lakhs for half year ended September 30, 2023, primarily attributable to following heads for the six-month period: incentive to dealer expenses of ₹ 161.64 lakhs (2.18% of interest income); document & stamping charges of ₹ 54.34 lakhs; CIBIL charges of ₹ 41.71 lakhs; computer & software expenses of ₹ 42.95 lakhs; commission expenses of ₹ 36.87 lakhs; conveyance expenses of ₹ 56.11 lakhs; GST expenses of ₹ 70.23 lakhs; electricity charges of ₹ 30.53 lakhs; field inspection charges of ₹ 18.09 lakhs; office expenses of ₹ 20.98 lakhs; postage & telegram expenses of ₹ 11.11 lakhs; printing & stationery expenses of ₹ 18.86 lakhs; professional & consultancy fees of ₹ 54.43 lakhs; rent, rates & taxes of ₹ 17.06 lakhs; repairs & maintenance of ₹ 16.22 lakhs among other miscellaneous expenses.

Tax expenses

Our tax expenses were ₹ 453.15 lakhs for half year ended September 30, 2023, we primarily had a current tax expense of ₹ 530.88 lakhs and a deferred tax credit of ₹ (77.73) lakhs which was on account of deferred tax assets. Our effective tax rate (which represents the income tax expenses to profit before tax during the relevant year, expressed as a percentage) was 21.24% for the half year ended September 30, 2023.

Profit after tax/ (loss) for the period / year

For the reasons discussed above, our profit after tax was ₹ 1,680.36 lakhs for half year ended September 30, 2023.

Other comprehensive income

Our other comprehensive income was ₹ 11.83 lakhs for half year ended September 30, 2023, primarily on account of Remeasurement gains/(losses) on defined benefit plans of ₹ 15.81 lakhs and income tax impact on the same of ₹ (3.98) lakhs.

Total comprehensive income

Our total comprehensive income was ₹ 1,692.19 lakhs for half year ended September 30, 2023.

Fiscal 2023 compared to Fiscal 2022

Total income

Our total income increased by 25.04% to ₹ 13,331.71 lakhs for Fiscal 2023 from ₹ 10,661.94 lakhs for Fiscal 2022. This increase was primarily due to an increase in revenue from operations.

Revenue from operations

Our revenue from operations increased by 25.07% to ₹ 13,331.64 lakhs for Fiscal 2023 from ₹ 10,659.06 lakhs for Fiscal 2022, primarily due to an increase in interest income by 32.97% to ₹ 12,496.17 lakhs for Fiscal 2023 from ₹ 9,397.99 lakhs for Fiscal 2022.

Interest income

Our interest income consists of interest on loans which increased by 32.97% to ₹ 12,496.17 lakhs for Fiscal 2023 from ₹ 9,397.99 lakhs for Fiscal 2022, due to growth in the following:

- AUM which increased by 27.80% to ₹ 63,368.90 lakhs as of March 31, 2023, from ₹ 49,582.62 lakhs as of March 31, 2022. The growth in AUM was primarily due to an increase in vehicle loans.
- Disbursements which increased by 46.83% to ₹ 42,669.48 lakhs in Fiscal 2023, from ₹ 29,060.23 in Fiscal 2022.
- Net Interest Margin which increased to 12.31% in Fiscal 2023 from 9.28% in Fiscal 2022

Other operating income

Our other operating income decreased by 33.75% to ₹ 835.47 lakhs for Fiscal 2023 from ₹ 1,261.07 lakhs for Fiscal 2022. This was primarily due to decrease in other financial charges by -58.53% to ₹ 442.32 lakhs in Fiscal 2023 from ₹ 1,066.58 lakhs in Fiscal 2022.

Other income

Our other income decreased by 97.57% to ₹ 0.07 lakhs for Fiscal 2023 from ₹ 2.88 lakhs for Fiscal 2022, primarily due to decrease in Miscellaneous income by 97.33% to ₹ 0.07 lakhs for Fiscal 2023 from ₹ 2.62 lakhs for Fiscal 2022.

Total Expenses

For the reasons discussed below, our total expenses increased by 17.64% to ₹ 11,053.05 lakhs for Fiscal 2023 from ₹ 9,395.66 lakhs for Fiscal 2022. Due to an increase in the total income and total expenses our profit before taxes increased by 79.95% to ₹ 2,278.66 lakhs for Fiscal 2023 from ₹ 1,266.28 lakhs for Fiscal 2022.

Finance costs

The finance costs increased by 21.54% to ₹ 5,661.89 lakhs for Fiscal 2023 from ₹ 4,658.59 lakhs for Fiscal 2022, primarily due to an increase in interest on borrowings (other than debt securities) by 24.03% to ₹ 5,253.04 lakhs for Fiscal 2023 from ₹ 4,235.19 lakhs for Fiscal 2022 and increase in interest on lease liabilities by 516.98% to ₹ 119.94 lakhs for Fiscal 2023 from ₹ 19.44 lakhs for Fiscal 2022. This was attributable to the following:

- an increase in borrowings (other than debt securities) by 50.07% to ₹ 56,936.08 lakhs for Fiscal 2023 from ₹ 37,939.81 lakhs for Fiscal 2022. We required additional funding due to growth in our AUM on account of disbursements which increased by 46.83% to ₹ 42,669.48 lakhs in Fiscal 2023, from ₹ 29,060.23 in Fiscal 2022.
- an increase in the incremental cost of borrowings to 12.34% in Fiscal 2023 from 11.49% in Fiscal 2022.

Impairment on financial instruments and other receivables

The impairment on financial instruments and other receivables decreased by 17.17% to ₹ 831.31 lakhs for Fiscal 2023 from ₹ 1,003.59 lakhs for Fiscal 2022. This was primarily due to the company taking a more conservative position for making impairment provisions in Fiscals 2021 and 2022 due to the COVID-19 pandemic. We normalized our impairment on loans due to reduction in NPA in Fiscal 2023 and that primarily led to a decrease in impairment on loans.

Employee benefits expenses

The employee benefits expense increased by 22.42% to ₹ 2,799.86 lakhs for Fiscal 2023 from ₹ 2,287.14 lakhs for Fiscal 2022, primarily due to an increase in salaries, wages & bonus by 20.39% to ₹ 2,620.17 lakhs for Fiscal 2023 from ₹ 2,176.46 lakhs for Fiscal 2022 and an increase in aggregate of contribution to provident & other funds, gratuity expenses and staff welfare expenses by 62.35% to ₹ 179.69 lakhs for Fiscal 2023 from ₹ 110.68 lakhs for Fiscal 2022. This was attributable to the following:

- an increase in the number of our on-roll employees as a result of growth in our business and annual increments given to our employees. Our number of on-roll employees increased by 24.74% to 827 employees as of March 31, 2023, from 663 employees as of March 31, 2022.
- an increase in average salary per employee to ₹ 2.64 lakhs for Fiscal 2023 from ₹ 2.53 lakhs for Fiscal 2022.

Depreciation, amortization, and impairment

Our depreciation, amortization and impairment expense increased by 17.25% to ₹ 444.64 lakhs for Fiscal 2023 from ₹ 379.24 lakhs for Fiscal 2022, primarily due to an increase in the depreciation on right of use assets by 39.08% to ₹ 244.69 lakhs for Fiscal 2023 from ₹ 175.93 lakhs for Fiscal 2022 and increase in amortization on intangible assets by 24.81% to ₹ 9.14 lakhs for Fiscal 2023 from ₹ 7.32 lakhs for Fiscal 2022. The increase was primarily attributable to an increase in our number of locations to 51 in Fiscal 2023 from 33 locations in Fiscal 2022.

Other expense

Our other expenses increased by 23.26 % to ₹ 1,315.35 lakhs for Fiscal 2023 from ₹ 1,067.10 lakhs for Fiscal 2022, primarily attributable to increased business activity in the Fiscal 2023, with an increase in:

- Incentive to dealer expenses by 61.61% to ₹ 241.79 lakhs (1.93% of interest income) for Fiscal 2023 from ₹ 149.61 (1.59% of interest income) lakhs for Fiscal 2022;
- Document & Stamping charges by 63.12% to ₹ 91.74 lakhs for Fiscal 2023 from ₹ 56.24 lakhs for Fiscal 2022;
- CIBIL charges by 61.11% to ₹73.45 lakhs for Fiscal 2023 from ₹ 45.59 lakhs for Fiscal 2022; and
- Computer & Software expenses by 78.12% to ₹ 44.85 lakhs for Fiscal 2023 from ₹ 25.18 lakhs for Fiscal 2022;
- Business promotion expenses by 16.35% to ₹ 66.45 lakhs for Fiscal 2023 from ₹ 57.11 lakhs for Fiscal 2022;
- Commission expenses by 10.06% to ₹ 104.84 lakhs for Fiscal 2023 from ₹ 95.26 lakhs for Fiscal 2022;
- Conveyance expenses by 143.33% to ₹ 36.11 lakhs for Fiscal 2023 from ₹ 14.84 lakhs for Fiscal 2022;
- Electricity charges by 16.50% to ₹ 56.70 lakhs for Fiscal 2023 from ₹ 48.67 lakhs for Fiscal 2022;
- Office expenses by 12.97% to ₹ 39.54 lakhs for Fiscal 2023 from ₹ 35.00 lakhs for Fiscal 2022;
- Printing & stationery expenses by 57.88% to ₹ 39.25 lakhs for Fiscal 2023 from ₹ 24.86 lakhs for Fiscal 2022 and
- Repairs & maintenance by 49.12% to ₹ 32.33 lakhs for Fiscal 2023 from ₹ 21.68 lakhs for Fiscal 2022.

Tax expenses

Our tax expenses increased by 112.37% to ₹ 620.65 lakhs for Fiscal 2023 from ₹ 292.26 lakhs for Fiscal 2022. For Fiscal 2023, we primarily had a current tax expense of ₹ 569.22 lakhs and a deferred tax expense of ₹ 51.42 lakhs which was on account of deferred tax liabilities. For Fiscal 2022, we primarily had a current tax expense of ₹ 335.52 lakhs and a deferred tax credit of ₹ (43.27) lakhs which was on account of deferred tax assets created on certain items of deductible temporary differences. We had a higher tax expense in Fiscal 2023 due to an increase in our revenue from operations and increase in profit before taxes. Our effective tax rate (which represents the income tax expenses to profit before tax during the relevant year, expressed as a percentage) was 27.24% and 23.08% for the Fiscals 2023 and 2022, respectively.

Profit after tax/ (loss) for the period / year

For the reasons discussed above, our profit after tax for the year increased by 70.22% to ₹ 1,658.01 lakhs for Fiscal 2023 from ₹ 974.02 lakhs for Fiscal 2022.

Other comprehensive income

Our other comprehensive income increased by 51.54% to ₹ 10.77 lakhs for Fiscal 2023 from ₹ 7.11 lakhs for Fiscal 2022, primarily on account of Remeasurement gains/(losses) on defined benefit plans.

Total comprehensive income

Our total comprehensive income increased by 70.09% to ₹ 1,668.78 lakhs for Fiscal 2023 from ₹ 981.13 lakhs for Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Total income

Our total income increased marginally by 0.81 % to ₹ 10,661.94 lakhs for Fiscal 2022 from ₹ 10,576.43 lakhs for Fiscal 2021. This was primarily due to an increase in Revenue from operations.

Revenue from operations

Our revenue from operations marginally increased by 0.88% to ₹ 10,659.06 lakhs for Fiscal 2022 from ₹ 10,565.63 lakhs for Fiscal 2021.

Interest income

Our interest income reduced by 2.77% to ₹ 9,397.99 lakhs for Fiscal 2022 from ₹ 9,665.27 lakhs for Fiscal 2021. Following were the key reasons for the same:

- AUM reduced by 6.47% to ₹ 49,582.62 lakhs as of March 31, 2022, from ₹ 53,011.75 lakhs as of March 31, 2021. The fall in AUM was primarily due to a marginal decline in business operations on account of COVID pandemic.

However,

- Disbursements increased by 8.59% to ₹ 29,060.23 lakhs in Fiscal 2022, from ₹ 26,761.19 lakhs in Fiscal 2021. The increase in disbursement was primarily due to normalization of business operations in Q3 and Q4 of Fiscal 2022, this was due to normalization of business operations in Q3 and Q4 of Fiscal 2022 post COVID pandemic.
- Our Net Interest Margin increased to 9.28% for Fiscal 2022 from 8.84% for Fiscal 2021.

Other operating income

Our other operating income increased by 40.06% to ₹ 1,261.07 lakhs for Fiscal 2022 from ₹ 900.36 lakhs for Fiscal 2021, this was primarily attributable to an increase in other financial charges by 31.10% to ₹ 1,066.58 lakhs for Fiscal 2022 from ₹ 813.59 lakhs for Fiscal 2021, commission income by 352.17% to ₹ 118.74 lakhs for Fiscal 2022 from ₹ 26.26 lakhs for Fiscal 2021, interest on security deposit by 10.20% to ₹ 9.94 lakhs for Fiscal 2022 from ₹ 9.02 lakhs for Fiscal 2021 and interest on fixed deposits by 27.81% to ₹ 65.81 lakhs for Fiscal 2022 from ₹ 51.49 lakhs for Fiscal 2021.

Other income

Our other income decreased by 73.33% to ₹ 2.88 lakhs for Fiscal 2022 from ₹ 10.80 lakhs for Fiscal 2021, primarily due to a decrease in profit on sale of short-term investments in shares to ₹ 0.00 lakhs for Fiscal 2022 from ₹ 9.89 lakhs for Fiscal 2021.

Total Expenses

For the reasons discussed below, our total expenses increased by 1.13 % to ₹ 9,395.66 lakhs for Fiscal 2022 from ₹ 9,290.72 lakhs for Fiscal 2021. Due a marginal increase in total income as compared to an increase in total expenses, our profit before taxes decreased by 1.51% to ₹ 1,266.28 lakhs for Fiscal 2022 from ₹ 1,285.71 lakhs for Fiscal 2021

Finance costs

The finance costs marginally decreased by 8.63% to ₹ 4,658.59 lakhs for Fiscal 2022 from ₹ 5,098.82 lakhs for Fiscal 2021, primarily due to a decrease in interest on borrowings (other than debt securities) by 5.18% to ₹ 4,235.19 lakhs for Fiscal 2022 from ₹ 4,466.62 lakhs for Fiscal 2021 and a decrease in interest on debt securities by 61.25% to ₹ 125.91 lakhs for Fiscal 2022 from ₹ 324.89 lakhs for Fiscal 2021. It was also attributable to the following:

- a decrease in total borrowings by 2.54% to ₹ 39,439.73 lakhs for Fiscal 2022 from ₹ 40,467.55 lakhs for Fiscal 2021. The impact of Pandemic COVID-19 continued to Q1 and Q2 of Fiscal 2022 resulting in restrictions in the state of Maharashtra and Gujarat, growth of the company was impacted as these states were main concentration.
- a decrease in incremental cost of borrowings to 11.49% in Fiscal 2022 from 12.39% in Fiscal 2021.

Impairment on financial instruments and other receivables

The impairment on financial instruments and other receivables increased by 30.29% to ₹ 1,003.59 lakhs for Fiscal 2022 from ₹ 770.25 lakhs for Fiscal 2021. The increase was due to the impact of Pandemic COVID-19 which continued to Q1 and Q2 of Fiscal 2022 resulting in restrictions in the state of Maharashtra and Gujarat, growth of our Company was impacted as these states were main concentration.

Employee benefits expenses

The employee benefits expense increased by 19.91% to ₹ 2,287.14 lakhs for Fiscal 2022 from ₹ 1,907.36 lakhs for Fiscal 2021, primarily due to an increase in salaries, wages & bonus by 22.11% to ₹ 2,176.46 lakhs for Fiscal

2022 from ₹ 1,782.42 lakhs for Fiscal 2021 and an increase in staff welfare expenses by 59.39% to ₹ 28.42 lakhs for Fiscal 2022 from ₹ 17.83 lakhs for Fiscal 2021. The increase was due to following:

- director remuneration was nil for first six months of Fiscal 2021 and salary cuts due to Covid pandemic which normalized in Fiscal 2022.
- an increase in the number of our employees and annual increments given to our employees. Our number of on-roll employees increased by 6.94% to 663 employees as of March 31, 2022, from 620 employees as of March 31, 2021.

Depreciation, amortization and impairment

Our depreciation, amortization and impairment expense increased by 4.53% to ₹ 379.24 lakhs for Fiscal 2022 from ₹ 362.81 lakhs for Fiscal 2021, primarily due to an increase in the depreciation on property, plant and equipment by 7.68% to ₹ 195.99 lakhs for Fiscal 2022 from ₹ 182.01 lakhs for Fiscal 2021 and increase in the amortization on intangible assets by 24.70% to ₹ 7.32 lakhs for Fiscal 2022 from ₹ 5.87 lakhs for Fiscal 2021. The increase was primarily attributable to the increase in number of locations to 33 locations in Fiscal 2022 from 30 locations in Fiscal 2021.

Other expenses

Our other expenses decreased by 7.33 % to ₹ 1,067.10 lakhs for Fiscal 2022 from ₹ 1,151.48 lakhs for Fiscal 2021, attributable to the impact of Pandemic COVID-19 continued to Q1 and Q2 of Fiscal 2022 resulting in restrictions in interim operations of offices and branches in the state of Maharashtra and Gujarat which led to interim operations of offices and branches, with a decrease in:

- commission expenses decreased by 62.59% to ₹ 95.26 lakhs for Fiscal 2022 from ₹ 254.62 lakhs for Fiscal 2021;
- business promotion expenses decreased by 74.01% to ₹ 57.11 lakhs for Fiscal 2022 from ₹ 219.70 lakhs for Fiscal 2021;
- field inspection charges decreased by 10.31% to ₹ 32.00 lakhs for Fiscal 2022 from ₹ 35.68 lakhs for Fiscal 2021;
- internet expenses decreased by 9.86% to ₹ 9.33 lakhs for Fiscal 2022 from ₹ 10.35 lakhs for Fiscal 2021;
- office expenses decreased by 17.02% to ₹ 35.00 lakhs for Fiscal 2022 from ₹ 42.18 lakhs for Fiscal 2021;
- printing & stationery decreased by 11.66% to ₹ 24.86 lakhs for Fiscal 2022 from ₹ 28.14 lakhs for Fiscal 2021 and
- telephone expenses decreased by 22.99% to ₹ 15.64 lakhs for Fiscal 2022 from ₹ 20.31 lakhs for Fiscal 2021.

This was partially offset by an increase in:

- incentive to dealer by 76.84% to ₹ 149.61 lakhs (1.59% of interest income) for Fiscal 2022 from ₹ 84.60 lakhs (0.88 % of interest income) for Fiscal 2021
- goods and services tax expense by 111.91% to ₹ 168.19 lakhs for Fiscal 2022 from ₹ 79.37 lakhs for Fiscal 2021

Tax expenses

Our tax expenses decreased by 16.35% to ₹ 292.26 lakhs for Fiscal 2022 from ₹ 349.39 lakhs for Fiscal 2021. For Fiscal 2022, we primarily had a current tax expense of ₹ 335.52 lakhs and a deferred tax credit of ₹ 43.27 lakhs which was on account of deferred tax assets created on certain items of deductible temporary differences. For Fiscal 2021, we primarily had a current tax expense of ₹ 430.01 lakhs and a deferred tax credit of ₹ 80.62 lakhs which was on account of deferred tax assets. Our effective tax rate (which represents the income tax expenses to profit before tax during the relevant year, expressed as a percentage) was 23.08% and 27.17% for the Fiscals 2022 and 2021, respectively.

Profit / (loss) for the period/ year

For the reasons discussed above, our profit for the year increased by 4.03% to ₹ 974.02 lakhs for Fiscal 2022 from ₹ 936.33 lakhs for Fiscal 2021.

Other comprehensive income

Our other comprehensive income decreased by 55.48% to ₹ 7.11 lakhs for Fiscal 2022 from ₹ 15.97 lakhs for Fiscal 2021, on account of remeasurement gain on defined benefit plans.

Total comprehensive income

Our total comprehensive income increased by 3.03% to ₹ 981.13 lakhs for Fiscal 2022 from ₹ 952.30 lakhs for Fiscal 2021.

Pre-provision operating profit

The pre-provision operating profit for the six months ended September 30, 2023, was ₹ 2,636.82 lakhs.

The pre-provision operating profit increased by 37.61% to ₹ 3,204.76 lakhs in Fiscal 2023 from ₹ 2,328.89 lakhs in Fiscal 2022, primarily due to an increase in Net Interest Income by 46.13% to ₹ 6,954.22 lakhs in Fiscal 2023 from ₹ 4,758.84 lakhs in Fiscal 2022.

The pre provision operating profit increased by 7.08% to ₹ 2,328.89 lakhs in Fiscal 2022 from ₹ 2,174.97 lakhs in Fiscal 2021, primarily due to an increase in Net Interest Income by 3.48% to ₹ 4,758.84 lakhs in Fiscal 2022 from ₹ 4,598.66 lakhs in Fiscal 2021.

For reconciliation of pre-provision operating profit and Operating Expenses, see "*Selected Statistical Information*" on page 270.

Financial Position

Our net worth was ₹ 18,535.38 lakhs, ₹ 16,843.13 lakhs, ₹ 15,174.38 lakhs and ₹ 14,193.21 lakhs as of September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, respectively.

The increase in net worth as on September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, was on account of profit for the year.

Assets

The following table sets forth the principal components of our assets as of September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021:

Particulars	As of September 30, 2023	As of March 31		
		2023	2022	2021
Financial assets				
Cash and cash equivalents	4,180.22	6,237.99	3,198.39	453.93
Bank balances other than cash and cash equivalents	5,917.99	4,624.53	1,805.57	921.53
Receivables				
Loans	69,634.20	62,331.61	48,267.35	51,978.44
Investments	2,627.08	1,835.99	8.04	5.00
Other financial assets	799.10	933.03	1,080.45	225.84
Total financial assets	**83,158.59**	**75,963.15**	**54,359.80**	**53,584.74**
Non-financial assets				
Current tax assets (net)	-	-	19.52	-
Deferred tax assets (net)	220.96	147.21	202.25	161.37
Property, plant and equipment	885.11	970.13	1,131.97	1,217.69
Other intangible assets	88.51	79.84	53.79	103.05
Right of use of assets	1,056.32	1,117.85	92.80	261.30
Other non-financial assets	521.49	446.57	285.67	212.05
Total non-financial assets	**2,772.40**	**2,761.60**	**1,786.00**	**1,955.46**
Total Assets	**85,930.99**	**78,724.75**	**56,145.80**	**55,540.20**

As of September 30, 2023, we had total assets of ₹ 85,930.99 lakhs, compared to ₹ 78,724.75 lakhs as of March 31, 2023, compared to ₹ 56,145.80 lakhs as of March 31, 2022, compared to ₹ 55,540.20 lakhs as of March 31, 2021. The increase in our total assets was primarily on account of:

- growth in the origination of our loans and loan portfolio.
- growth was on account of increase in number of our locations and customers;
- an increase in cash and cash equivalents, and other bank balances (other than cash and cash equivalents), due to an increase in borrowings.

Financial assets

Cash and cash equivalents

As of September 30, 2023, we had cash and cash equivalents of ₹ 4,180.22 lakhs, compared to ₹ 6,237.99 lakhs as of March 31, 2023. This decrease was primarily due to utilization of funds for onward lending to customers. As of March 31, 2022, we had cash and cash equivalents of ₹ 3,198.39 lakhs, compared to ₹ 453.93 lakhs as of March 31, 2021. Our cash and cash equivalents increased primarily between March 31, 2021, and March 31, 2022, to ensure compliance with our liquidity policy.

Bank balances other than cash and cash equivalents

As of September 30, 2023, we had bank balances other than cash and cash equivalents of ₹ 5,917.99 lakhs compared to ₹ 4,624.53 lakhs as of March 31, 2023, compared to ₹ 1,805.57 lakhs as of March 31, 2022, compared to ₹ 921.53 lakhs as of March 31, 2021. This increase was largely due to movements in fixed deposits with banks in line with our liquidity management requirements including cash collateral for PTC transactions.

Loans

As on September 30, 2023, we had net loans of ₹ 69,634.20 lakhs, compared to ₹ 62,331.61 lakhs as of March 31, 2023, compared to ₹ 48,267.35 lakhs as of March 31, 2022, compared to ₹ 51,978.44 lakhs as of March 31, 2021. Our loans increased between March 31, 2022, and September 30, 2023, primarily on account of growth in our loan portfolio. The growth was on account of an increase in the number of our locations and customers. Our Loans decreased between March 31, 2021, and March 31, 2022, this decrease was primarily on account of the impact of Pandemic COVID-19 continued to Q1 and Q2 of Fiscal 2022 resulting in restrictions in the state of Maharashtra and Gujarat, growth of the company was impacted as these states were main concentration.

Investments

As of September 30, 2023, we had investments of ₹ 2,627.08 lakhs, compared to ₹ 1,835.99 lakhs as of March 31, 2023, compared to ₹ 8.04 lakhs as of March 31, 2022, compared to ₹ 5.00 lakhs as of March 31, 2021. Investments primarily consist of investments in equity shares and investment in trust. Our investments increased between March 31, 2022, and March 31, 2023, primarily on account of investment made in Security Receipts of Reliance Asset Reconstruction Company Trust for Company’s proportionate share. Our investments increased between March 31, 2023, and September 30, 2023, primarily on account of revaluation of Security Receipts of Reliance Asset Reconstruction Company Trust for Company’s proportionate share.

Other financial assets

As of September 30, 2023, we had other financial assets of ₹ 799.10 lakhs, compared to ₹ 933.03 lakhs as of March 31, 2023, compared to ₹ 1,080.45 lakhs as of March 31, 2022, compared to ₹ 225.84 lakhs as of March 31, 2021. The other financial assets primarily consist of security deposits related to our locations taken on lease, sundry debtors, receivables from dealers, income receivable and advances to employees. The variation is due to business operations.

Non-financial assets

Current tax assets (net)

As of September 30, 2023, we had current tax assets (net) of ₹ 0.00 lacs, compared to ₹ 0.00 lacs as of March 2023, compared to ₹ 19.52 lacs in March 2022, compared to ₹ 0.00 lacs In March 2021. We had net current tax assets for Fiscal 2022 on account of excess advance tax paid as compared to the provision for tax.

Deferred tax assets (net)

As of September 30, 2023, we had deferred tax assets (net) of ₹ 220.96 lacs, compared to ₹ 147.21 lacs as of March 2023, compared to ₹ 202.25 lacs in March 2022, compared to ₹ 161.37 lacs In March 2021. The increase between March 2023 and September 2023 was primarily due to an increase in expected credit loss on loans and increase in unamortized income. The decrease between March 2022 and March 2023 is due to a decrease in lease liability, decrease in gratuity and decrease in expected credit loss on loans. The increase between March 2021 and March 2022 is due to unamortized income and increase in expected credit loss on loans.

Property, plant, and equipment

As of September 30, 2023, we had property, plant and equipment of ₹ 885.11 lakhs, compared to ₹ 970.13 lakhs as of March 31, 2023, compared to ₹ 1,131.97 lakhs as of March 31, 2022, compared to ₹ 1,217.69 lakhs as of March 31, 2021. The decrease from March 2021 to September 2023 is due to no significant additions in PPE as compared to the depreciation for the year.

Other intangible assets

As of September 30, 2023, we had other intangible assets of ₹ 88.51 lakhs, compared to ₹ 79.84 lakhs as of March 31, 2023, compared to ₹ 53.79 lakhs as of March 31, 2022, compared to ₹ 103.05 lakhs as of March 31, 2021. There is only a marginal increase in intangible assets between March 31, 2023, and September 30, 2023. The increase in our intangible assets from March 31, 2022, to March 31, 2023, was primarily on account of capitalization of intangible assets being put to use. The decrease between March 31, 2021, to March 31, 2022, was primarily on account of no significant additions as compared to the depreciation for the year.

Right of use assets

As of September 30, 2023, we had lease liabilities of Rs. 1,056.32 lakhs, compared to Rs. 1,117.85 lacs as of March 31, 2023, compared to Rs. 92.80 lakhs in March 31, 2022, compared to Rs. 261.30 lakhs in March 31, 2021. The increase from March 31, 2023, to September 30, 2023, is due to entering into additional lease agreements and additional opening of locations. The increase from March 31, 2022, to March 31, 2023, is due to entering into additional lease agreements in connection with our new locations and renewal of leave & license agreement of corporate office located in Thane for the period of 3 years. The reason for decrease in right of use of assets from March 31, 2021, to March 31,2022 is that the addition of locations is less as compared to the reduction in lease liabilities and right of use of assets.

Other non-financial assets

As of September 30, 2023, we had other non-financial assets of ₹ 521.49 lakhs, compared to ₹ 446.57 lakhs as of March 31, 2023, compared to ₹ 285.67 lakhs as of March 31, 2022, compared to ₹ 212.05 lakhs as of March 31, 2021. The increase in other non-financial assets was due to an increase in the business operations.

Liabilities and equity

Particulars	As of September 30, 2023	As of March 31		
		2023	2022	2021
Financial liabilities				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-

Particulars	As of September 30, 2023	As of March 31		
		2023	2022	2021
(ii) total outstanding dues to creditors other than micro enterprises and small enterprises	642.73	748.03	1,200.80	225.84
Debt securities	6,388.11	2,656.93	1,499.92	3,833.33
Borrowings (other than debt securities)	58,734.45	56,936.08	37,939.81	36,634.22
Lease liability	1,133.46	1,166.71	104.42	281.14
Other financial liabilities	141.21	94.80	59.02	126.93
Total financial liabilities	**67,039.96**	**61,602.55**	**40,803.97**	**41,101.46**
Non-financial liabilities				
Current tax liabilities (net)	200.03	46.33	-	110.42
Provisions	118.09	116.81	95.02	67.54
Other non-financial liabilities	37.53	115.93	72.43	67.57
Total non-financial liabilities	**355.65**	**279.07**	**167.45**	**245.53**
Equity				
Equity share capital	1,255.65	1,255.65	1,255.65	1,255.65
Other equity	17,279.73	15,587.48	13,918.73	12,937.56
Total equity	**18,535.38**	**16,843.13**	**15,174.38**	**14,193.21**
Total liabilities and equity	**85,930.99**	**78,724.75**	**56,145.80**	**55,540.20**

Financial liabilities

Trade payables

As of September 30, 2023, we had trade payables of ₹ 642.73 lakhs, compared to ₹ 748.03 lakhs as of March 31, 2023, ₹ 1,200.80 lakhs as of March 31, 2022, and ₹ 225.84 lakhs as of March 31, 2021. The fluctuations in trade payables were primarily on account of business operations.

Debt securities

As of September 30, 2023, we had debt securities of ₹ 6,388.11 lakhs, compared to ₹ 2,656.93 lakhs as of March 31, 2023, ₹ 1,499.92 lakhs as of March 31, 2022, and ₹ 3,833.33 lakhs as of March 31, 2021. The increase in debt securities between March 31, 2022, and September 30, 2023, was primarily on account of issuance of debentures. The decrease in debt securities between March 31, 2021, and March 31, 2022, was primarily on account of the impact of Pandemic COVID-19 continued to Q1 and Q2 of Fiscal 2022 due to which the company restrained from borrowing new funds and repayment of debt securities.

Borrowings (other than debt securities)

As of September 30, 2023, we had borrowings (other than debt securities) of ₹ 58,734.45 lakhs, compared to ₹ 56,936.08 lakhs as of March 31, 2023, ₹ 37,939.81 lakhs as of March 31, 2022, and ₹ 36,634.22 lakhs as of March 31, 2021. The increase in borrowings (other than debt securities) between March 31, 2021, and September 30, 2023, was primarily on account of growth in following:

- our business operations and AUM which increased to ₹ 63,368.90 lakhs for Fiscal 2023, from ₹ 53,011.75 lakhs for Fiscal 2021;
- our disbursements which increased to ₹ 42,669.48 lakhs for Fiscal 2023, from ₹ 26,761.19 lakhs for Fiscal 2021.

Lease liabilities

As of September 30, 2023, we had lease liabilities of ₹ 1,133.46 lakhs, compared to ₹ 1,166.71 lakhs as of March 31, 2023, ₹ 104.42 lakhs as of March 31, 2022, and ₹ 281.14 lakhs as of March 31, 2021. The marginal decrease in lease liabilities from March 31, 2023, to September 30, 2023, is on account of payment of lease rentals. The increase in lease liabilities from March 31, 2022, to March 31, 2023, is our account of entering into additional leases in connection with our new locations and renewal of lease & license agreement of corporate office located in Thane for the period of 3 years. The reason for decrease in lease liabilities from March 31, 2021, to March 31,2022 is that the addition of locations (no.) is less as compared to the reduction in lease liabilities and Right of use of assets.

Other financial liabilities

As of September 30, 2023, we had other financial liabilities of ₹ 141.21 lakhs, compared to ₹ 94.80 lakhs as of March 31, 2023, ₹ 59.02 lakhs as of March 31, 2022, and ₹ 126.93 lakhs as of March 31, 2021. The variation in other financial liabilities is on account of business operations.

Non-financial liabilities

Current tax liabilities (net)

As of September 30, 2023, we had Current tax liabilities (net) of ₹ 200.03 lakhs, compared to ₹ 46.33 lakhs as of March 31, 2023, ₹ 0.00 lakhs as of March 31, 2022, and ₹ 110.42 lakhs as of March 31, 2021. The increase in current tax liabilities (net) from March 31, 2023, to September 30, 2023, was primarily on account of an increase in profit before taxes. The decrease in current tax liabilities (net) from March 31, 2021, to March 31, 2022, was primarily on account of advance tax payments during the year.

Provisions

As of September 30, 2023, we had provisions of ₹ 118.09 lakhs, compared to ₹ 116.81 lakhs as of March 31, 2023, ₹ 95.02 lakhs as of March 31, 2022, and ₹ 67.54 lakhs as of March 31, 2021. The increase in provisions is primarily on account of the increase in provision for gratuity.

Other non-financial liabilities

As of September 30, 2023, we had other non-financial liabilities of ₹ 37.53 lakhs, compared to ₹ 115.93 lakhs as of March 31, 2023, ₹ 72.43 lakhs as of March 31, 2022, and ₹ 67.57 lakhs as of March 31, 2021. The variation in other non-financial liabilities is on account of variations in statutory dues payable for ongoing business operations.

Equity

As of September 30, 2023, our total equity was ₹ 18,535.38 lakhs, representing 21.57% of our total assets. As of March 31, 2023, our total equity was ₹ 16,843.13 lakhs, representing 21.39% of our total assets. As of March 31, 2022, our total equity was ₹ 15,174.38 lakhs, representing 27.04% of our total assets. As of March 31, 2021, our total equity was ₹ 14,193.21 lakhs, representing 25.55% of our total assets. The increase in our total equity between March 31, 2021, and September 30, 2023, was primarily due to an increase in our retained earnings. For further details in relation to equity infusions, see "*Capital Structure – Notes to the Capital Structure – Equity Share capital history of our Company*" on page 84.

As of September 30, 2023, we had a Basic EPS of ₹ 4.46/share for the half year, compared to ₹ 4.40/share as of March 31,2023, ₹ 2.59/share as of March 31, 2022, and ₹ 2.49/share as of March 31, 2021.The increase in EPS from Fiscal 2021 to six months ended September 30, 2023, was primarily attributable to growth in business and increase in profits.

Liquidity and Capital Resources

We have historically secured financing from diversified sources of capital from banks, financial institutions and other financial institutions, including term loans, proceeds from loans securitized, proceeds from the issuance of NCDs, proceeds from loans assigned, commercial papers, cash credit limits and overdraft facilities to meet our capital requirements. As of September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, our total borrowings were ₹ 65,122.56 lakhs, ₹ 59,593.01 lakhs, ₹ 39,439.73 lakhs and ₹ 40,467.55 lakhs, respectively.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our capital levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements contain a number of covenants including financial covenants. For details, 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 and financial condition.*" on pages 352 and 47, respectively.

For more information about our liquidity management, see "*Our Business*" on page 196.

Cash flows

The following table sets forth our cash flows and cash and cash equivalents for the period indicated:

Particulars	For six months period ended September 30, 2023	For Fiscals		
		2023	2022	2021
Net cash generated from / (used in) Operating Activities	(6,417.42)	(12,402.57)	4,727.67	(707.22)
Net cash generated from / (used in) Investing Activities	123.51	(1,892.10)	(71.33)	(129.26)
Net cash generated from / (used in) Financing Activities	5,529.55	20,153.28	(1,027.82)	1,136.81
Net increase / (decrease) in cash and cash equivalents	**(764.36)**	**5,858.60**	**3,628.52**	**300.34**
Cash and cash equivalents at the beginning of the period/year	10,862.53	5,003.97	1,375.46	1,075.13
Closing balance of cash and cash equivalents	**10,098.17**	**10,862.58**	**5,003.97**	**1,375.47**

For further details in relation to the cash flows, see "*Restated Financial Information – Restated Cash Flow Statement*" on page 287.

Operating activities

Net cash flows used in operating activities aggregated to ₹ 6,417.42 lakhs for six months ended September 30, 2023. While our net profit before tax was ₹ 2,133.51 lakhs, we had an operating profit before working capital changes of ₹ 781.47 lakhs. This decrease was primarily due to income from investment (revaluation of S.R. in ARC) of ₹ 935.85 lakhs and income tax paid of ₹ 530.88 lakhs. Our changes in working capital for six months ended September 2023 primarily consisted of an increase in loans given by ₹ 7,302.59 lakhs, decrease in current liabilities and trade payables by ₹ 16.84 lakhs which was partially offset by decrease in current assets by ₹ 120.54 lakhs.

Net cash flows used in operating activities was ₹ 12,402.57 lakhs for Fiscal 2023. While our net profit before tax was ₹ 2,278.66 lakhs, we had an operating profit before working capital changes of ₹ 1,945.57 lakhs. This decrease was primarily due to Income tax paid of ₹ 569.22 lakhs. Our changes in working capital for Fiscal 2023 primarily consisted of an increase in loans given by ₹ 14,064.26 lakhs on account of increased loan disbursals to our customers, increase in current assets by ₹ 1,019.01 lakhs which was partially offset by increase in current liabilities & trade payables by ₹ 735.13 lakhs.

Net cash flows generated from operating activities was ₹ 4,727.67 lakhs for Fiscal 2022. Our net profit before tax was ₹ 1,266.28 lakhs, we had an operating profit before working capital changes of ₹ 1,171.06 lakhs. This decrease was primarily due to Income tax paid of ₹ 335.52 lakhs. Our changes in working capital for Fiscal 2022 primarily consisted of a decrease in loans given by of ₹ 3,711.09 lakhs on account of decreased loan disbursals to our customers, increase in current liabilities & trade payables by ₹ 624.77 lakhs which was partially offset by increase in current assets by ₹ 779.25 lakhs.

Net cash flows used in operating activities was ₹ 707.22 lakhs for Fiscal 2021. While our net profit before tax was ₹ 1,285.71 lakhs, we had an operating profit before working capital changes of ₹ 1,106.67 lakhs. This decrease was primarily due to income tax paid of ₹ 430.01 lakhs. Our changes in working capital for Fiscal 2021 primarily consisted of an increase in loans given by ₹ 1,678.78 lakhs on account of increased loan disbursals to our customers, decrease in current liabilities & trade payables by ₹ 236.92 lakhs which was partially offset by decrease in current assets by ₹ 101.81 lakhs.

Investing activities

Net cash flows generated from investing activities aggregated to ₹ 123.51 lakhs for six months ended September 30, 2023, primarily due sale of fixed assets of ₹ 159.10 lakhs and sale of investments of ₹ 144.76 lakhs. This was partially offset by purchase of fixed assets by ₹ 180.35 lakhs.

Net cash flows used in investing activities aggregated to ₹ 1,892.10 lakhs for Fiscal 2023, primarily due to purchase of Investments of ₹ 1,827.95 lakhs (investment in ARC Trust) and purchase of fixed asset of ₹ 68.18 lakhs.

Net cash flows used in investing activities was ₹ 71.33 lakhs for Fiscal 2022, primarily due to purchase of fixed assets of ₹ 69.82 lakhs.

Net cash flows used in investing activities was ₹ 129.26 lakhs for Fiscal 2021, primarily due purchase of fixed assets of ₹ 132.10 lakhs.

Financing activities

Net cash flows generated from financing activities aggregated to ₹ 5,529.55 lakhs for six months ended September 30, 2023, primarily due to incremental borrowings of ₹ 26,996.00 lakhs and repayment of ₹ 21,466.45 lakhs during the period.

Net cash flows generated from financing activities was ₹ 20,153.28 lakhs for Fiscal 2023, primarily due to incremental borrowings availed of ₹ 55,171.00 lakhs and repayment of ₹ 35,017.72 lakhs. Growth in business and gross loan book led to the increase in borrowings availed.

Net cash flows used in financing activities was ₹ 1,027.82 lakhs for Fiscal 2022, primarily due to incremental borrowings availed of ₹ 27,116.00 lakhs and repayment of ₹ 28,143.82 lakhs. The negative cashflows from financing activities were primarily on account of the impact of Pandemic COVID-19 continuing to Q1 and Q2 of Fiscal 2022 where the company restrained from borrowing new funds.

Net cash flows generated from financing activities was ₹ 1,136.81 lakhs for Fiscal 2021, primarily due to incremental borrowings availed of ₹ 25,253.00 lakhs and repayment of ₹ 24,116.19 lakhs.

Borrowings Availed and Borrowings Repaid

Our outstanding borrowings were ₹ 65,122.56 lakhs for six months ended September 30, 2023, primarily attributable to incremental borrowings of ₹ 26,996.00 lakhs and repayment of ₹ 21,466.15 lakhs during the period.

Our borrowings availed (incremental borrowings) increased to ₹ 55,171.00 lakhs in Fiscal 2023 from ₹ 27,116.00 lakhs in Fiscal 2022 and ₹ 25,253.00 lakhs in Fiscal 2021.

Our borrowings repaid increased to ₹ 35,017.72 lakhs in Fiscal 2023 from ₹28,143.82 lakhs in Fiscal 2022 and ₹ 42,116.19 lakhs in restrain Fiscal 2021.

The increase in our net borrowings in Fiscal 2023 from Fiscal 2022 was on account of growth in Business operations, gross loan book and AUM. The decrease in the net borrowings in Fiscal 2022 from Fiscal 2021 was on account of the impact of Pandemic COVID-19 continued to Q1 and Q2 of Fiscal 2022.

Financial Indebtedness

As of September 30, 2023, our total borrowings were ₹ 65,122.56 lakhs. Our Company has issued non-convertible debentures which are listed on the debt segment of BSE. The following table sets forth certain information relating to outstanding indebtedness as of September 30, 2023, and our repayment obligations in the periods indicated:

Particulars	Payment due by period				
	Total	Less than one year	1-3 year	3-5 year	Over 5 years
Liabilities					

Particulars	Payment due by period				
	Total	Less than one year	1-3 year	3-5 year	Over 5 years
Debt securities	6,388.11	2,250.00	4,138.11	-	-
Borrowings (other than debt securities)	58,734.45	38,181.34	20,553.11	-	-
Total	**65,122.56**	**40,431.34**	**24,691.22**	**-**	**-**

For further details of our total borrowings as of September 30, 2023, see "*Financial Indebtedness*" on page 352.

Securitization arrangements

Our Company had outstanding securitized assets worth ₹ 17,464.02 lakhs, ₹ 15,169.13 lakhs, ₹ 4,934.54 lakhs and ₹ 3,488.75 lakhs as on September 30, 2023, and Fiscals 2023, 2022 and 2021 respectively.

Assignment transactions

During the six-months ended September 30, 2023, we assigned assets worth ₹ 2,057.51 lakhs. The balance as on September 30, 2023 was ₹ 1,742.66 lakhs. We did not enter into assignment transactions during Fiscal 2023, 2022 and 2021.

Contingent liabilities and commitments (to verify with the company)

The table sets forth our contingent liabilities as per Ind AS 37 as at September 30, 2023:

Contingent liabilities	As at September 30, 2023
Disputed income taxes	223.75
Total	**223.75**

For details in relation to our contingent liabilities as at September 30, 2023, see "*Contingent Liabilities*" under the section titled *"Restated Financial Information"* on page 287.

Off-balance sheet commitments and arrangements (To be confirmed with the company)

Except as disclosed above in "-Securitization Arrangements" and "-Assignment Transactions", we also have a co-lending arrangement with Muthoot Capital Services Limited from July 12, 2023.

Capital Expenditure

For the six months ended September 30, 2023, we added property, plant and equipment of ₹ 14.60 lakhs, primarily for office equipment, furniture and fixtures and computer equipment.

For the Fiscal 2023, we added property, plant and equipment of ₹ 33.01 lakhs, primarily for office equipment, furniture and fixtures and computer equipment.

For the Fiscal 2022, we added property, plant and equipment of ₹ 57.10 lakhs, primarily for vehicles, furniture and fixtures and computer equipment.

For the Fiscal 2021, we added property, plant and equipment of ₹ 110.13 lakhs, primarily for office equipment, vehicles, electrical fittings, plant and machinery, furniture and fixtures and computer equipment.

Capital to risk-weighted assets ratio

The following table sets forth certain details of our CRAR derived from our Restated Financial Information, as of the dates indicated:

Particulars	As of			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
CRAR (%)	26.62%	27.02%	31.44%	27.31%
CRAR – Tier I capital (%)	26.62%	27.02%	31.44%	27.31%
Capital adequacy ratio – Tier II capital (%)	-	-	-	-

The increase in the CRAR from March 31, 2021, to March 31, 2022, was primarily on account of the decrease in risk weighted assets. The decrease in the CRAR from March 31, 2022, to March 31, 2023, was primarily on account of growth in loan and advances.

For further details in relation to CRAR, see "*Risk Factors – We maintain a capital adequacy ratio ("CRAR") of not less than 15% of our Tier 1 capital of our aggregate risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items.*" on page 50.

Credit Ratings

Our credit ratings are set forth below as of the respective dates indicated:

Rating Agency	Instrument	Present as on date of DRHP	Fiscal 2023	Fiscal 2022	Fiscal 2021
Care Rating	Bank Loan Facilities – Cash Credit	BBB+/ Stable	BBB+/ Stable	BBB+/ Negative	BBB+/ Negative
	Bank Loan Facilities – Term Loan	BBB+/ Stable	BBB+/ Stable	BBB+/ Negative	BBB+/ Negative
	NCD	BBB+/ Stable	BBB+/ Stable	BBB+/ Negative	BBB+/ Negative
	CP	-	-	-	A2
Acuite	Bank Loan Ratings	A-/ Stable	A-/ Negative	A-/ Negative	A-/ Stable
	Bank Loan Ratings (Credit Enhancements)	A/ CE/ Stable	A/ CE/ Negative	A/ CE/ Stable	-
	NCD	A-/ Stable	A-/ Negative	-	-
Crisil	PTC	A+	A+	A+	A+
India Rating Research	Non-Convertible Debentures	-	IND A2	-	-
	CP*	IND A2	IND A2	IND A2	-
Brickwork	Term Loan Facility with Partial Credit Enhancement (PCE)	-	-	-	A/ Stable
	NCD	-	BBB+/ Negative	BBB+/ Stable	BBB+ /Stable
	CP*	-	-	A2	-

**As on date of this DRHP, there are no outstanding Commercial Papers issued by our Company.*

Related party transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Summary of Offer Document – Summary of Related Party Transactions*" on page 29.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. For further details, see "*Our Business – Risk Management Framework*" on page 218.

We have exposure to the following risks:

Credit risk

Credit risk is the risk of financial loss to our Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loan receivables from customers. We have segregated functional responsibilities between sourcing/business, credit underwriting/approval, operations, collection and recovery. Accordingly, business functions are responsible for sourcing/sales and revenue. Credit functions are responsible for credit appraisal and approval. Operations related functions are responsible for disbursement after ensuring documentation and compliance/ fulfilment of terms and conditions of sanction. Our Risk Management Committee has laid down a credit policy detailing the policy norms, process and procedures to be adopted for credit appraisal and approval, including exposure limits, subject to RBI guidelines issued from time to time, under which each new customer and existing customer seeking additional funds, is analysed for creditworthiness before the loan is sanctioned. In order to avoid excessive concentration of risks, our Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio across CIBIL and loan sizes. Identified concentrations of credit risks are controlled and managed accordingly.

Liquidity Risk

Liquidity risk is the risk that our Company may encounter in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company has an asset-liability management approach approved by the Board and has constituted an Asset Liability Committee to oversee the liquidity risk management function of our Company. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation. Our Company is monitoring its liquidity risk by estimating the future inflows and outflows on a regular basis and planning funding requirements accordingly. The composition of our Company's liability mix ensures healthy asset-liability maturity pattern and well diversified resource mix.

Market Risks and Interest Rate Risks

Market risks is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risks: Interest rate risks is the risk of change in market interest rates which might adversely affect our profitability.

Operational Risk

Operational risks are risks of a loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is associated with human error or fraud, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational risks may result in unexpected losses or reputation damage. We manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

For further details, see *"Restated Financial – Note 43 - Financial Risk Management Objectives"* and *"Our Business – Description of our business and operations – Risk Management Framework"* on pages 287 and 218, respectively.

Auditors' Qualifications and Emphasis of Matters

There are no auditor qualifications which require any adjustments to the Restated Financial Information.

For details of emphasis of matter in the Restated Financial Statements, see "*Risk Factors – Our Statutory Auditor has included an emphasis of matter in our Restated Financial Statements.*" on page 52.

Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in *"-Significant Factors Affecting our Financial Condition and Results of Operations"* above on page 356 and the uncertainties described in *"Risk Factors"* on page 33. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future relationship between cost and revenue

Other than as described in *"Risk Factors"* and *"Our Business"* on pages 33 and 196, respectively, and this section, to our knowledge there are no known factors that may adversely affect the future relationship between cost and revenue.

Working Capital

We believe that our working capital is sufficient for our Company's present requirements.

Competitive conditions

We operate in a competitive environment. Please refer to *"Risk Factors", "Industry Overview"* and *"Our Business"* on pages 33, 134 and 196, for further information on our industry and competition.

Seasonality and cyclicality of business

Our business is seasonal in nature. For further details, see *"-Significant Factors Affecting our Financial Condition and Results of Operations"* and "*Risk Factors - operate in a seasonal industry. In an economic downturn, we may not be able to grow our business or maintain levels of liquidity, loss minimization, and revenue growth to sustain our business and remain viable through the credit cycle.*" on page 356.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals and the six-months ended September 30, 2023 are as described in "– Fiscal 2023 compared to Fiscal 2022" and "– Fiscal 2022 compared to Fiscal 2021" above on pages 365 and 367, respectively.

Significant dependence on single or few customers

We do not believe our business is dependent on any single or a few customers as on the date of this Draft Red Herring Prospectus. For further details, see *"Risk Factors – New Vehicle Loans account constitute majority of our AUM. Lack of diversity in our loan products may affect our growth, prospects and financial condition."* on page 34.

New products or business segments

Except as disclosed in *"Our Business"* on page 196, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant developments occurring after September 30, 2023

To our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect out operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months, except as set out below:

- Issue of Bonus Shares

Bonus issue of 2,51,12,940 equity shares of face value of Rs. 10 each In the ratio of 2:1 allotted on 17th January, 2024 and therefore as required under Ind AS 33 "Earning per share" the effect of such bonus issue is required to be adjusted for the purpose of computing earnings per share for all the period presented retrospectively.

- Launch of New Product - Manba Vyaapaar Loan (Small Business Loan)

Started offering Small Business Loans in Maharashtra under our product MANBA Vyaapaar loans. We intend to offer Small Business Loans having a ticket size of ₹ 0.75 lakhs to ₹ 10.00 lakhs with a tenure of 12-48 months.

- Launch of New Product - Used Car Loan

Started funding customer for the purchase of the Used Car where the vehicle to be acquired is upto 12 years old and the funding tenure to be between 12 months to 48 months. Our ticket size for the Used Car Loans is between ₹ 2.00 lakhs to ₹ 6.00 lakhs.

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.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory and regulatory authorities; (iii) tax proceedings - claims related to direct and indirect taxes in a consolidated manner; and (iv) material civil litigation or arbitration proceeding which are determined to be 'material' as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters or Directors (collectively, the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters or Directors in the last five Financial Years including any outstanding action.*

In terms of the Materiality Policy, any pending/outstanding civil litigation involving the Relevant Parties which exceeds the amount which is 1% of the revenue of our Company, as per the Restated Financial Statements for the last completed financial year, i.e., financial year 2023 would be considered as 'material' for our Company. For Fiscal 2023, our revenue as per the Restated Financial Statements is ₹ 13,331.64 lakhs. Accordingly, the following types of litigations involving the Relevant Parties have been considered as 'material', and accordingly disclosed in this Draft Red Herring Prospectus, as applicable:

(a) pending civil litigations involving the Relevant Parties which involve an amount of or equal to more than the monetary amount of ₹ 133.32 lakhs; or
(b) other than the litigations covered in (a) above, pending litigations where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed ₹ 133.32 lakhs; or
(c) where the monetary liability in the pending civil litigations is not quantifiable or doesn't meet the monetary threshold as provided in (a) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received/ sent by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, have not and shall not, be considered as material litigation until such time that the Relevant Parties, as the case may be, are impleaded as a party in proceedings before any judicial /arbitral forum.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to trade creditors of our Company having monetary value exceeding ₹ 32.14 lakhs, which is 5% of the total outstanding dues (trade payables) as on September 2023, i.e., as per the latest period in the Restated Financial Statements included in this Draft Red Herring Prospectus as well as outstanding dues to all financial creditors of our Company, shall be considered as 'material'. Accordingly, as on September 30, 2023, any outstanding dues to trade creditors exceeding ₹ 32.14 lakhs have been considered as 'material outstanding dues' for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. LITIGATIONS INVOLVING OUR COMPANY

A. Outstanding criminal litigations involving our Company

Criminal litigation against our Company

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated against our Company.

Criminal litigations initiated by our Company

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated by our Company, except as disclosed below:

Our Company has filed four (4) complaints under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques. The aggregate amount involved (as of the date on which each complaint was filed) in these matters is ₹ 57.64 lakhs. The abovementioned matters are pending for adjudication before different magistrate courts in Mumbai, India.

B. Outstanding Material Civil litigations involving our Company

Material Civil litigations against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated by our Company, except as disclosed below:

(a) The Principal Commissioner of Income Tax (Central)-4 has preferred an appeal before the Hon'ble High Court of Bombay in case number ITXA/1225/2019 against the judgment and order passed by the Income Tax Appellate Tribunal, Mumbai, India upholding the order passed by the Commissioner of Income Tax (Appeals) in favour of our Company for deletion of addition of ₹ 900 lakhs and disallowance of interest of approximately ₹ 22.11 lakhs made by the Assessing Officer for A.Y. 2013-14 against our Company under Section 68 of the Income Tax Act, 1961, however the aggregate amount involved in this matter is not ascertainable. The matter is pending before the Hon'ble High Court of Bombay.

(b) The Principal Commissioner of Income Tax (Central)-6 has preferred an appeal before the Hon'ble High Court of Bombay in case number ITXA/964/2021 against our Company. However, we have not been served the case papers in relation to this appeal and accordingly, we are unable to determine the aggregate amount involved (as of the date on which such appeal was filed). The matter is pending before the Hon'ble High Court of Bombay.

Material Civil litigations initiated by our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated by our Company.

C. Outstanding actions by Statutory or Regulatory Authorities against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by Statutory or Regulatory Authorities against our Company.

II. LITIGATIONS INVOLVING OUR PROMOTERS

A. Outstanding criminal litigations involving our Promoters

Criminal litigations against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated against our Promoters.

Criminal litigations initiated by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Promoters.

B. Outstanding material civil litigations involving our Promoters

Material Civil litigations against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Promoters.

Material Civil litigations initiated by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Promoters.

C. Outstanding actions by Statutory or Regulatory authorities involving any of our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding action initiated by Statutory or Regulatory authorities involving any of our Promoters.

III. LITIGATIONS INVOLVING OUR DIRECTORS

A. Outstanding Criminal litigations involving our Directors

Criminal litigations against our Directors

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal litigations against our Directors.

Criminal litigations initiated by our Directors

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal litigations initiated by our Directors.

B. Outstanding Material Civil litigations involving our Directors

Material Civil litigations against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Directors.

Material Civil litigations initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Directors.

C. Outstanding actions by Statutory or Regulatory Authorities involving any of our Directors

As on the date of this Draft Red Herring Prospectus there are no outstanding actions initiated by the Statutory or Regulatory Authorities involving any of our Directors.

IV. Tax proceedings

(*₹ in lakhs*)

Particulars	Number of cases	Amount involved*
Our Company		
Direct Tax	10#	294.13
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	8**	111.18
Indirect Tax	Nil	Nil
Our Directors (other than our Promoters)		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

**To the extent quantifiable*

 # Includes 5 (five) cases of TDS defaults

*** Includes 1 (one) case of TDS default*

V. Outstanding dues to creditors

Our Board, in its meeting held on January 17, 2024 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, trade creditors of our Company to whom an amount exceeding 5% of the total outstanding dues (trade payables) as on September 2023, i.e., the date of the last period of the latest Restated Financial Statements was outstanding, are considered 'material' creditors. As per the latest Restated Financial Statements, our total trade payables as on September 30, 2023 was ₹ 642.73 lakhs and accordingly, trade creditors to whom outstanding dues exceed ₹ 32.14 lakhs have been considered as 'material' creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as on September 30, 2023 by our Company are set out below:

(*₹ in lakhs*)

Type of creditor	Number of creditors	Amount involved
Micro, small and medium enterprises	Nil	Nil
Material creditors	Nil	Nil
Other creditors	895	642.73
Total	**895**	**642.73**

The details pertaining to net outstanding dues towards our material creditors as on September 30, 2023 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at https://www.manbafinance.com/. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

VI. Material Developments

Except as otherwise disclosed in "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, that could materially and adversely affect or are likely to affect, our trading, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business and operations require various approvals, licenses, registration, and permits issued by relevant governmental and regulatory authorities of the jurisdictions in which we operate under applicable law. Set out below is a list of all material and necessary approvals, licenses, registrations and permits obtained by our Company for the purposes of undertaking its business activities and operations and except as mentioned below, no further material approvals are required for carrying on our present business activities. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course of business and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For details in connection with the applicable regulatory and legal framework, see, "Key Regulations and Policies" on page 222.

Further, for details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors – We require several statutory and regulatory approvals, licenses, registrations and permissions to conduct our business and an inability to obtain or maintain such approvals, licenses, registrations and permissions in a timely manner, or at all, may adversely affect our operations." on page 61. For Issue related approvals, see "Other Regulatory and Statutory Disclosures" on page 389 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 236.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Material approvals in relation to the Issue

For details in relation to approvals and authorizations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" and "*The Issue*" on pages 389 and 71, respectively.

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. *Incorporation details*

1. Certificate of incorporation dated May 31, 1996, issued by RoC to our Company, in its former name, being Manba Finance Private Limited.

2. Certificate of change of name dated January 31, 2005 issued by RoC to our Company, pursuant to conversion of our Company to public limited company.

3. The corporate identity number of our Company is U65923MH1996PLC099938.

B. *Material approvals in relation to our business operations*

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 April 7, 1998, allotting registration number 13.00610 pursuant to which our Company (under its erstwhile name, 'Manba Finance Private Limited') was registered as a NBFC under Section 45-IA of the RBI Act.

2. The RBI has granted a revised certificate of registration dated January 27, 2022, pursuant to conversion of our Company to a public limited company, to carry on business of non-banking financial institution without accepting public deposits.

3. The Company is registered with Central KYC Registry of the Central Registry of Securitisation Asset Reconstruction and Security Interest of India under registration code 90069372246738.

4. The LEI code number granted by Legal Entity Identifier India Limited to our Company is 3358003JH2C9342TNH61.

5. The Company is registered with Financial Intelligence Unit – India since March 12, 2018, bearing registration code FINBF06650.

6. The Company has been granted registration as an IT/ITES unit under the Maharashtra IT/ITES Policy, 2015 for operations relating to its back-office at Plot No. A-79, Road No. 16, Wagle Estate, Thane West, 400604 by the Maharashtra Industrial Development Corporation bearing registration number IT/(SW)/Registration/11/24/MIDC/00126 on September 18, 2017.

7. The Company has been granted Udyam registration certificate bearing number UDYAM-MH-19-0132916 from the Ministry of Micro, Small and Medium Enterprises dated May 5, 2020.

8. The Company has been granted registration for Information Utility services through National E-Governance Services Limited.

9. The National Payments Corporation of India has granted our Company access to the National Automated Clearing House platform.

10. The Company has obtained a trade certificate as a financer dated September 5, 2023 bearing serial nos. (i) MH03/TC/122A/MOTORCYCLE, (ii) MH03/TC/122(B)/LMV (NT), (iii) MH03/TC/122(C)/LMV AR(TR), and (iv) MH03/TC/122(D)/TRACTOR from the Ministry of Road Transport and Highways.

C. ***Approvals from Taxation Authorities***

1. The permanent account number of our Company is AAACM4681Q.

2. The tax deduction account number of our Company is MUMM10613B.

3. Our Company has obtained goods and services tax registrations under the Central Goods and Service Tax Act, 2017, in relation to certain of our branch offices for our business operations in the states of Maharashtra, Gujarat, Chhattisgarh, Rajasthan, and Madhya Pradesh as follows:

Name of state	**Registration Number**
Maharashtra	27AAACM4681Q1ZU
Gujarat	24AAACM4681Q1Z0
Chhattisgarh	22AAACM4681Q1Z4
Rajasthan	08AAACM4681Q1ZU
Madhya Pradesh	23AAACM4681Q1Z2

4. Our Company has obtained professional tax registrations, in relation to certain of our branch offices in the states and union territories of Maharashtra and Gujarat.

III. Labour-related approvals for Company

1. Our Company has obtained registration under employee and labour-related laws including Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, Maharashtra Labour Welfare Fund Act, 1953, and the Payment of Gratuity Act, 1972.

2. We have obtained the relevant shops and establishment registrations under the applicable provisions of the shops and establishments legislations of the relevant state for our Registered Office and certain branch offices in India. Certain approvals may have lapsed in their normal course, and we have either

made applications to the appropriate authorities for renewal of such licenses/approvals or are in the process of making such applications.

IV. Material Approvals applied for but not received by our Company

As on the date of this Draft Red Herring Prospectus, following are the material approvals which our Company has applied for but not received:

(a) Application for registration of our branch offices in Anand, Mehsana and Rajkot in the state of Gujarat under the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019.

V. Material Approval expired or renewal to be applied for

Nil

VI. Material Approvals required but not obtained or applied for

Nil

VII. Intellectual property

As on the date of this Draft Red Herring Prospectus, our Company owns three trademarks with logos. For further details, see our "*Our Business – Intellectual Property*" on page 221.

S. No.	Particulars of trademark	Category of trademark	Application Number	Registration Number	Class	Status
1.	MANBA FINANCE	Device mark	3523010	1686995	36	Registered
2.	MANBA FINANCE	Device mark	2849366	1364527	36	Registered
3.	Manba	Word mark	1005892	347191	16	Registered

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by our Board pursuant to resolutions dated December 28, 2023, and by our Shareholders pursuant to a special resolution dated January 4, 2024.

Our Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated March 6, 2024.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, Directors, the members of the Promoter Group have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

None of the companies with which our Promoters 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, our Promoters, Directors, persons in control of our Corporate Promoter have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders under Section 12 of Fugitive Economic Offenders Act, 2018.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters and members of Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, and to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and none of the companies with which our 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. Further, there is no outstanding action initiated by SEBI against any of the Directors of our Company in the past five years preceding the date of this DRHP.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

(a) Our Company has net tangible assets of at least ₹ 300 lakhs, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than fifty per cent are held in monetary assets;

(b) Our Company has an average operating profit of at least ₹ 1,500 lakhs, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) Our Company has a net worth of at least ₹ 100 lakhs in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

(d) Our Company has not changed its name in the last one year prior to the date of this Draft Red Herring Prospectus.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, on a restated basis, derived from the Restated Financial Statements included in this Draft Red Herring Prospectus, for last three Financial Years 2023, 2022 and 2021 are set forth below:

(*₹ in lakhs, unless otherwise stated*)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Restated net tangible assets [(1)]	15,645.44	15,027.79	13,828.86
Restated monetary assets[(2)]	6,555.24	3,535.37	630.41
Monetary assets, as a percentage of net tangible assets (in %)	42%	24%	5%
Restated pre-tax operating profit[(3)]	2,278.59	1,263.40	1,274.91
Net worth[(4)]	16,843.13	15,174.38	14,193.21

Notes:

[(1)] *'Restated net tangible assets' means sum of all net assets of the Company and excluding intangible assets, and right to use assets, each on restated basis and as defined in respective Indian Accounting Standard*

[(2)] *Restated monetary assets mean the sum of Cash on hand, balance with banks in current account, balance with banks in deposit accounts, fixed deposit with maturity of more than 3 months and less than 12 months (free) and Fixed deposit with maturity of more than 3 months and less than 12 months (under lien) on restated basis*

[(3)] *Restated operating profit has been calculated as restated net profit before tax excluding other income on a restated basis.*

[(4)] *Restated net worth has been defined as the aggregate of share capital and other equity on restated basis.*

Our Company is currently eligible to undertake the Issue as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in terms of Regulation 32 of the SEBI ICDR Regulations our Company is required to allocate: (i) not more than 50% of the Net Issue to QIBs, 5% of which shall be allocated to Mutual Funds exclusively; (ii) not less than 15% of the Net Issue to Non-Institutional Bidders, one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000 and two-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹10,00,000; and (iii) not less than 35% of the Net Issue to RIBs, subject to valid Bids being received at or above the Issue Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall be not less than 1,000 failing which, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

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 will ensure compliances with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 and 7(1) of SEBI ICDR Regulations are as follows:

a. None of our Company, our Promoters, members of our promoter group, our directors, are debarred from accessing the capital markets by SEBI.

b. None of our Directors or our Promoters, are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

c. None of our Company, our Promoters, our Directors, is categorized as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the RBI.

d. None of our Promoters or Directors has been declared a Fugitive Economic Offender.

e. There are no outstanding warrants, options, or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

f. Our Company, along with the Registrar to the Issue, has entered into tripartite agreement dated January 15, 2024, and January 11, 2024 with NSDL and CDSL, respectively for dematerialization of the Equity Shares.

g. The Equity Shares of our Company held by our Promoters are in dematerialised form;

h. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

i. There is no requirement for us to make firm arrangements of finance as per 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.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM, HEM SECURITIES, HAS 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 BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 6, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM-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 ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/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 BRLM ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and the BRLM

Our Company, our Promoters, our Directors and the BRLM accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance, and anyone placing reliance on any other source of information, including our Company's website www.manbafinance.com, the respective websites of our Promoter Group or any website of any of our affiliate of our Company, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered.

All information shall be made available by our Company and the BRLM to the investors 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.

None among our Company or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an issue 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 himself or herself about, and to observe, any such restrictions. Any dispute arising out of this will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

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, 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 hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date. Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction. 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 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 offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered outside the United States in 'offshore transactions' in reliance on "**Regulation S**" under the U.S.

Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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 offshore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to us post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to us post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of RBI

The Company is having a valid certificate of registration dated April 7,1998 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. The RBI has granted a revised certificate of registration dated January 27, 2022, pursuant to conversion of our Company to a public limited company. 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 representations made or opinion expressed by the Company and for the discharge of liabilities by the Company.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges i.e., BSE and NSE. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being issued and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Issue Closing Date or within such other period as may be prescribed.

If our Company does not allot the Equity Shares within three Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Issue Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, as prescribed under applicable law.

Consents

Consents in writing of our Directors, our Promoters, our Company Secretary and Compliance Officer, our Chief Financial Officer, the BRLM, Legal counsel to the Issue, the Bankers to our Company, Statutory Auditors and the

Registrar to the Issue have been obtained; and the consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s), Public Issue Account Bank(s), Refund Bank(s), and Sponsor Bank(s) to act in their respective capacities, will be obtained. Further, such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with RoC as required under the Companies Act, and such consents, which have been obtained, have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Experts

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

Our Company has received written consent dated March 6, 2024 from Venus Shah & Associates, Chartered Accountants to include their name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) read with Section 26 of the Companies Act, 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of their examination report on our Restated Financial Statements dated February 14, 2024 and in respect of the statement of possible tax benefits dated February 6, 2024. The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues undertaken by our Company and listed group companies, subsidiaries or associate entities during the last five years

Except as disclosed in the section titled "*Capital Structure*" on page 84, there have been no public issues or rights issues undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed group companies, subsidiaries or associates.

Commission or brokerage on previous issues of the Equity Shares in the last five years

Since this is the initial public offering 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 public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues in the preceding three years

Except as disclosed in the section titled "*Capital Structure*" on page 84, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed group companies. Further, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Certain debt securities of Our Company are listed. For further details, see "*Financial Indebtedness*" on page 352.

Performance *vis-à-vis* objects - Public/ rights issue of our Company

Our Company has not undertaken any public, including any rights issues to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Performance *vis- à-vis* objects: Public/ rights issue of the listed Subsidiaries and listed Promoter

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries or listed Promoters.

Statement on Price Information of Past Issues handled by Hem Securities Limited (SME IPO's)
Price information of past issues handled by Hem Securities Limited during the current Financial Year and two financial years preceding the current Financial Year

Sr. No.	Issue name	Issue size (₹ in Cr.)	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.	E Factor Experiences Limited	25.92	75.00	October 09, 2023	115.00	112.80% [-0.35%]	117.53% [10.25%]	N.A.
2.	Paragon Fine and Speciality Chemical Limited	51.66	100.00	November 03, 2023	225.00	80.20% [7.57%]	47.75% [12.83%]	N.A.
3.	Deepak Chemtex Limited	23.04	80.00	December 06, 2023	152.00	44.19% [3.41%]	6.25% [5.78%]	N.A.
4.	S J Logistics (India) Limited	48.00	125.00	December 19, 2023	175.00	77.36% [0.04%]	N.A.	N.A.
5.	Siyaram Recyling Industries Limited	22.96	46.00	December 21, 2023	55.00	124.07% [-0.70%]	N.A.	N.A.
6.	Shanti Spintex Limited	31.25	70.00	December 27, 2023	76.00	9.19% [-0.13%]	N.A.	N.A.
7.	Shri Balaji Valve Components Limited	21.60	100.00	January 03, 2024	190.00	129.25% [1.56%]	N.A.	N.A.
8.	New Swan Multitech Limited	33.11	66.00	January 18, 2024	124.47	44.47% [2.14%]	N.A.	N.A.
9.	Harshdeep Hortico Limited	19.09	45.00	February 05, 2024	70.00	5.33% [3.28%]	N.A.	N.A.
10.	Megatherm Induction Limited	53.91	108.00	February 05, 2024	198.00	168.89% [3.23%]	N.A.	N.A.

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

1) *The scrip of E Factor Experiences Limited, Paragon Fine and Speciality Chemical Limited and Deepak Chemtex Limited has not completed its 180th days from the date of listing; S J Logistics (India) Limited, Siyaram Recyling Industries Limited, Shanti Spintex Limited, Shri Balaji Valve Components Limited, New Swan Multitech Limited, Harshdeep Hortico Limited and Megatherm Induction Limited has not completed its 90th day from the date of listing.*

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	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%
2021-22	6(1)	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	15(2)	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	19(3)	606.19	-	-	-	12	4	3	-	-	-	4	-	1

1) *The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021and March 28, 2022 respectively;*

2) *The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;*

3) *The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023, E Factor Experiences Limited was listed on October 09, 2023, Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023, Deepak Chemtex Limited was listed on December 06, 2023, S J Logistics (India) Limited was listed on December 19, 2023, Siyaram Recyling Industries Limited was listed on December 21, 2023, Shanti Spintex Limited was listed on December 27, 2023, Shri Balaji Valve Components Limited was listed on January 03, 2024, New Swan Multitech Limited was listed on January 18, 2024, Harshdeep Hortico Limited was listed on February 05, 2024 and Megatherm Induction Limited was listed on February 05, 2024.*

Track record of the Book Running Lead Manager

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the BRLM at www.hemsecurities.com.

Stock market data of the Equity Shares

As the Issue is the initial public offering of the 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 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 pursuant to the Issue, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLM 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 appointed Bhavisha Ashish Jain, Company Secretary of our Company, as the Compliance Officer for the Issue. For further details, see "*General Information*" on page 74.

All grievances (other than from Anchor Investors) in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All Issue-related grievances of the Anchor Investors may be addressed to the BRLM and the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

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 BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission of any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer 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.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 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 at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in accordance with the provisions of the 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, and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount, whichever is higher, in the events of delayed or withdrawal of 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 investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount, whichever is higher. Further, in terms of SEBI circular 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 Book Running Lead Manager, 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. Further, in terms of the SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, issued to the Registrars to an Issue and the Share Transfer Agents, provides that the registration granted to such share transfer agents shall be for the principal as well as for all the branch offices in India of the Registrar to an Issue, and shall be declared in its application for obtaining such registration.

By way of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid/Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/ 2023/00094 dated June 21, 2023.

Further, helpline details of the BRLM pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with 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, are provided in the section "*General Information*" on page 74.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances. Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Bhavisha Ashish Jain, our Company Secretary, as our Compliance Officer. For further details, please see "*General Information*" on page 74. Our Company have authorised the Company Secretary and Compliance Officer, and the Registrar to the Issue to deal with and redress, on their behalf any investor grievances received in the Issue.

Our Company has constituted the Stakeholders Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For further information, please see "*Our Management – Stakeholders Relationship Committee*" on page 252.

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

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

Other confirmations

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and allotted pursuant to the Issue will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, the AoA, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus, the CAN (for Anchor Investors), Allotment Advice and other terms and conditions as may be incorporated in the confirmation of allocation notes (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and listing and trading of securities, issued from time to time, by the SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by such governmental and/or regulatory authority while granting approval for the Issue.

The Issue

The Issue comprises Fresh Issue of Equity Shares of our Company. Expenses for the Issue shall be borne our Company in the manner specified in the section titled "*Objects of the Issue - Issue related expense*" on page 106.

Ranking of the Equity Shares

The Equity Shares being issued and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to dividend, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 269 and 433, respectively.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and other applicable laws including any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared by our Company, after the date of Allotment, will be payable to the Allottees for the entire year, in accordance with applicable law. For further information, please see the section entitled "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 269 and 433, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹ 10 each and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity share.

The Issue Price, the Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the Book Running Lead Manager, and shall be published at least two Working Days prior to the Bid/Issue Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, where our Registered and Corporate Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their respective 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 at the respective websites of the Stock Exchanges. The Cap Price shall be at least105% of the Floor Price. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares issued by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable law, rules, regulations and the provisions of our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, 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 any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

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 and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 433.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, SEBI Listing 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 Issue:

- Tripartite agreement dated January 11, 2024 amongst our Company, CDSL and Registrar to the Issue; and
- Tripartite agreement dated January 15, 2024 amongst our Company, NSDL and Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares to QIBs and RIBs. The Allotment to Non-Institutional Bidders shall not be less than the minimum Non-Institutional application size. For the method of basis of allotment, see "*Issue Procedure*" on page 411.

Joint Holders

Subject to the provisions of the 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.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, 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 varied 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 varied by the Shareholder by nominating any other person in place of the present nominee, by giving a notice of such cancellation. 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 agents of our Company.

Further, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the 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, our Board may thereafter withhold payment of all dividends, 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.

Bid/Issue Programme

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

**Our Company in consultation with the Book Running Lead Manager, 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.*

***Our Company in consultation with the Book Running Lead Manager, 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.*

^UPI mandate end time and date shall be at 5.00 pm on the Bid/Issue Closing Date.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/ Issue Closing 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 demat 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) exceeding two Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding 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 BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The BRLM 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. For the avoidance of doubt, the provisions of the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with 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 and SEBI Circular no: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation 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, 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.

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 Book Running Lead Manager.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/Issue Closing Date or such period as may be prescribed by SEBI, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI Master Circular, 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 and submit the confirmation to the BRLM and the RTA on a daily basis, as per the format prescribed in SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

In terms of the UPI Circulars, in relation to the Issue, the Book Running Lead Manager will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/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. (Indian Standard Time (“**IST**”)
Bid/Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs, other than QIBs, Non-Institutional Investors.	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST

** UPI mandate end time and date shall be at 5.00 pm on the Bid/Issue Closing Date.*
QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

a. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

b. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the Book Running Lead Manager to the Stock Exchanges. For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which 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 Bids on the Bid/Issue Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 12:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, it may lead to some Bids not being uploaded due to lack of sufficient time to upload and such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Issue. 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 the SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected. Bids will be accepted only on Working Days. 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. The Designated Intermediary shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Our Company in consultation with the Book Running Lead Manager reserve 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. 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 will be extended by at least three additional Working Days after such revision of 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 may, in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/Issue Period fora 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, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice and by indicating the change on the websites of the Book Running Lead Manager and terminals of the Syndicate Members and will also be intimated to the Designated Intermediaries and the Sponsor Bank(s), as applicable. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-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

In the event our Company does not receive (i) a minimum subscription of 90% of the Issue, and (ii) a subscription in the Issue as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circulars bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI master circular bearing no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

Under-subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares 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, and subscription money will be refunded, as applicable. 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

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Share capital of our Company, lock-in of our Promoter' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*", on page 84 and except as provided under the AoA, 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 AoA. For details, see "*Description of Equity Shares and Terms of the Articles of Association*", on page 433.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Issue

The Issue shall be withdrawn in the event that 90% of the Issue is not subscribed.

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the entire or portion of the Issue for any reason at any time 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 Book Running Lead Manager, 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.

If our Company in consultation with the Book Running Lead Manager 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.

ISSUE STRUCTURE

The Issue is being made through the Book Building Process. The Issue comprises of initial public offering of up to 1,25,70,000 Equity Shares for cash at a price of ₹ [●], including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company

Particulars	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation*(2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to	Not less 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 more than 50% of the Issue shall be available for allocation to QIB Bidders. However, upto 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less 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 ₹200,000 and up to ₹1,000,000; and (b) two third of such portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-Institutional Bidder.	Not more than 35% of the Issue
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be Allotted	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	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 details, please see "Issue *Procedure*" on page 411.

Particulars	QIBs [1]	Non-Institutional Bidders	Retail Individual Bidders
	on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹200,000 and up to ₹1,000,000; and b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹1,000,000 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-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*" on page 411.	
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000, and in multiple of [●] Equity thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Particulars	QIBs [1]	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeding the size of the Issue (excluding the Anchor Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter.		
Trading Lot	One Equity Share		
Who can Apply [3]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance companies registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 2,500 lakhs, pension fund with minimum corpus of ₹ 2,500 lakhs, in accordance with applicable law and National Investment Fund set up by the Government of India, 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	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, FPIs who are individuals, corporate bodies and family offices which are classified as Category II FPIs and registered with SEBI.	Resident Indian Individuals, Eligible NRIs, HUF (in the name of *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.[4] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bid	Only through the ASBA process (except for Anchor Investors)		

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
Mode of Bidding**	ASBA only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism. ASBA Bids placed by Non-Institutional Investors shall have a limit of up to ₹500,000		

**Assuming full subscription in the Issue*

(1) *Our Company in consultation with the BRLM, may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further information, see "Issue Procedure" on page 411.*

(2) *Subject to valid Bids being received at or above the Issue Price. This is an Issue in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations read with Regulation 45 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders and not less than 35% 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 from them at or above the Issue Price. 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 Bidders with an application size of more than ₹ 2,00,000 and up to ₹ 10,00,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 10,00,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bids by FPIs with certain structures as described under "*Issue Procedure - Bids by FPIs*" on page 419 and having same PAN may 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) may 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 and 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 (acting through the Board of Directors) in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "*Terms of the Issue*" on page 399.

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 Book Running Lead Manager 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 for Investing in Public Issues' prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid Cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. 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 Confirmation of Allocation Note 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; (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 Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 had proposed to introduce 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 prior process and a timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by RIBs through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds was discontinued and RIIs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) could only use UPI Mechanism with a timeline of T+6 days until further notice, pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 ("**UPI Phase II**"). 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 ₹ 5,00,000 shall use the UPI Mechanism. 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. This Issue is being made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances which came into force with effect from May 1, 2021, except as amended pursuant to 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, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. The SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs. The provisions of these circular are deemed to form part of this Draft Red Herring Prospectus.*
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 book running lead manager shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, in accordance with the SEBI Master Circular, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide the SEBI Master Circular, has reduced the timelines for refund of Application money to four days.

The Book Running Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the BRLM, Member of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document 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 this Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of SCRR read with Regulation 31 of the SEBI ICDR Regulations through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from 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, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 2,00,000 and up to ₹ 10,00,000; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 10,00,000 provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. And not less than 35% 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.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange. 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. In accordance with Rule 19(2)(b) of the SCRR, the Issue will constitute at least 25% of the post-Issue paid-up Equity Share capital of our Company. Bidders will not have the option of being Allotted Equity Shares in physical form.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020, read with press releases dated June 25, 2021, and September 17, 2021 and March 30, 2022, read with press release dated March 28, 2023.

Bidders 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 Bidding using the UPI Mechanism, 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 compliance with applicable law.

Phased implementation of Unified Payments Interface

SEBI has issued the SEBI UPI Circulars in relation to streamlining the process of public issue of, amongst others equity shares. Pursuant to the SEBI 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 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 SEBI 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. Under this phase, submission of the physical ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

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 ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using

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 Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue is mandatorily being made under Phase III of the UPI Mechanism.

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 ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023("UPI Streamlining Circular"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Manager, 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 Book Running Lead Manager. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Book Running Lead Manager 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 BSE (www.bseindia.com) and NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.
All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, the Stock Exchanges shall, for all categories of investors viz. RIB, QIB, NII and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked UPI Bidders shall Bid through the UPI Mechanism.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. UPI Bidders bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders) as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Forms in the manner as follows:

(i) UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers;

(ii) RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers; and

(iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM.

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, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. RIB, QIB and NIB and also for all modes through which the applications are processed.

Non-Institutional Bidders Bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. For Anchor Investor, the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

The prescribed colour of the Bid cum Application Forms for 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^	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis^	[●]
Anchor Investors**	[●]

**Excluding electronic Bid cum Application Forms*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM.*

^Electronic Bid cum Application forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com)

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding through the UPI Mechanism) to the respective SCSB where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds.

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and 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.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders, for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank 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. In accordance with circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and the notice issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank.

The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

(i) 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 issue and depository participants shall continue till further notice.

(ii) 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.

(iii) 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.

(iv) Exchanges shall display initial public offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100 – Block Request Accepted by Investor/ Client, based on responses/status received from the Sponsor Bank.

The Sponsor Bank 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 will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank 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 UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For ASBA Forms (other than UPI Bidders using UPI Mechanism), 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.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till 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.

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the online 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 online facilities for Book Building on a regular basis before the closure of the Issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchanges' 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.

(d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by our Promoters, Promoter Group, the Book Running Lead Manager and the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Manager and Syndicate Members.

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as disclosed below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
(ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, the Promoters and members of their respective Promoter Groups shall not participate by applying for Equity Shares in the Issue. Further, persons related to the Promoters and their respective Promoter Groups shall not apply in the Issue under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" 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 BRLM.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. 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.

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 net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds, exchange traded funds, or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of our Company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (NRE Account), or Foreign Currency Non-Resident Accounts (FCNR Account), and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (NRO) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts. 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).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details of restrictions on investment by NRIs, please see the section entitled "*Restrictions on Foreign Ownership of Indian Securities*" on page 406. Participation of Eligible NRIs shall be subject to the FEMA Regulations

Bids by HUFs

Bids by Hindu Undivided Families or HUFs are required to be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its 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 the post-Issue paid-up capital.

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).

If 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. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. 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.

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 as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager ("**MIM**") structure

- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments

- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration

- 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

- Multiple branches in different jurisdictions of foreign bank registered as FPIs

- Government and Government related investors registered as Category 1 FPIs; and

- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

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 any of the above-mentioned structures 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 shall be rejected.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

For details of restrictions on investment by NRIs, please see the section entitled "*Restrictions on Foreign Ownership of Indian Securities*" on page 406.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (SEBI AIF Regulations) prescribe, amongst others, the investment restrictions on AIFs. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations, inter alia, prescribe the investment restrictions on FVCIs registered with SEBI.

The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules, amended from time to time.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

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.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (Banking Regulation Act), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment 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. 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 if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the 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 bids.

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, the Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (IRDA Investment Regulations), and are 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. Bidders are advised to refer to the IRDA 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 ₹ 2,500 lakhs, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs 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) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the 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 under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable laws) and pension funds with a minimum corpus of ₹ 2,500 lakhs, 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 must be lodged along with the Bid cum Application Form. Failing this, our Company and the reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason hereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

Bids by 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. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the office of the BRLM.

Neither the (a) the BRLM (s) or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLM) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, among the Anchor Investors and any BRLM.

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1,000 lakhs. 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 ₹ 1,000 lakhs.

One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and will be completed on the same day.

Our Company, in consultation with the BRLM may finalise 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:

(i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1,000 lakhs;

(ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,000 lakhs but up to ₹ 2,500 lakhs, subject to a minimum Allotment of ₹ 500 lakhs per Anchor Investor; and

(iii) in case of allocation above ₹ 25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹ 25,000 lakhs, subject to minimum Allotment of ₹ 500 lakhs per Anchor Investor.

Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. 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 BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.

Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

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 Issue 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 Issue Price, Allotment to successful Anchor Investors will be at the higher price.

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

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 BRLM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus. 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.

In accordance with RBI regulations, OCBs cannot participate in this Issue.

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 BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Issue Period and withdraw or lower the size of their Bid(s) until Bid/ Issue Closing Date.

Do's:

1. 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;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
4. 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 which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
5. UPI Bidder using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
6. UPI Bidders shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only
9. 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. UPI Bidders, may submit their ASBA Forms with Syndicate Member, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
12. 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. PAN of the First Bidder is required to be specified in case of joint Bids;
13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
16. 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 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 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 beneficiary 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;

17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. 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;
19. 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;
20. 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, are submitted;
21. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
22. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN 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,UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;
23. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form 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 http://www.sebi.gov.in);
24. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;
25. The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;
26. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders 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,
27. UPI Bidders bidding using the UPI Me4chanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
28. UPI Bidders using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name 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 on the list displayed on the SEBI website and is also appearing in 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website or 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019 is liable to be rejected;
29. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
30. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
31. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

32. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Issue Closing Date;
34. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were 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 are liable to be rejected;
35. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
36. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI (at www.sebi.gov.in) or such other websites as updated from time to time;
37. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, 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 at the time of submission of the Bid;
38. UPI Bidders Bidding through the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
39. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.

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 submit a Bid using UPI ID, if you are not an UPI Bidder;

3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

7. Anchor Investors should not Bid through the ASBA process;

8. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;

10. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

11. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

13. Do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;

14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date; (for online applications) and after 12:00 p.m. on the Bid/ Issue Closing Date (for Physical Applications)

15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

16. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively;

17. Do not submit the General Index Register (GIR) number instead of the PAN;

18. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);

19. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 5,00,000;

20. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue ;

21. 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 in the UPI-linked bank account where funds for making the Bid are available;

22. 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 Investor. Retail Individual Investors revise or withdraw their Bids until the Bid/Issue Closing Date;

23. 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 Bidder;

24. 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;

25. 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;

26. 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);

27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

28. Do not Bid on another Bid cum Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

29. 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 using the UPI Mechanism;

30. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;

31. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

32. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders); and

33. Do not Bid if you are an OCB.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. 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);

6. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

8. Bids submitted without the signature of the First Bidder or sole Bidder;

9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

10. 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;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Investors 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 the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as informed to the Stock Exchanges.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document. 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 in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, "*General Information – Details of the Book Running Lead Manager*" on page 78.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please see "*General Information*" on page 74.

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 Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLM and the Registrar to the Issue, 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 Offer Document 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 to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs 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 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.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less 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 ₹ 2 lakhs and up to ₹ 10 lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 10 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares

Payment into Anchor Investor Escrow Account

Our Company, in consultation with the BRLM, in their absolute discretion, 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 Bankers to the Issue and the Registrar to the Issue to facilitate collections 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 by the SEBI ICDR Regulations, advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located)

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/SIssue 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 Manager and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located)

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate 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

Our Company, the Underwriters, and the Registrar to the Issue intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price which shall be a date prior to the filing of Prospectus. After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);

- 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 all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI or under any applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;

- it shall not issue any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Issue, except for fees or commission for services rendered in relation to the Issue;

- 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 applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- If our Company in consultation with the Book Running Lead Manager withdraw the Issue after the Bid/Issue Closing Date but prior to Allotment and the reason thereof shall be given by our Company 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; thereafter determines that it will proceed with a issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

- 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;

- Except for the Equity Shares to be allotted pursuant to the Issue 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 Board confirm 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 and the details of all monies utilised out of the Issue shall be disclosed, and continued to be disclosed till the time any part of the Offer proceeds reman unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised. Details of all monies unutilised, shall be disclosed under an appropriate head in the balance sheet of our Company indicating the from in which such unutilised monies have been invested. Our Company 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 applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 100 lakhs 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 ₹ 10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs 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. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion ("**DPIIT**") issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDIPolicy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, please see "*Issue Procedure*" on page 411.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments 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, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. 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.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued 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 BRLM are not liable for any amendments or modification or changes in applicable laws regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares 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

THE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
MANBA FINANCE LIMITED

Article No.	Description
	Interpretation
I	The regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall not apply to the Company except so far as the same are repeated, contained or expressly made applicable in these Articles or by the Act. The regulations for the management of the Company and for the observance thereof by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, the regulations by special resolution, as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. **INTERPRETATION** 1. In these regulations— (a) “the Act” means the Companies Act, 2013, (b) “the Articles” means the Articles of Association of the Company, (c) “the Board” means the Board of Diretors of the Company, (d) “"the Company” means Manba Finance Limited, (e) “the Directors” means the members of the Board of Directors of the Company, (f) “the seal” means the common seal of the Company. 2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.
	Share Capital and Variation of rights
II 1	i. The authorised share capital of the Company shall be such amount and be divided into such shares as may from time to time, as may be provided in Clause V of Memorandum of Association of the Company with power to Board to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division. ii. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of an ordinary resolution in a general meeting of the Company, give any person the right to call on any shares either at par or at a premium, during such time and for such consideration that the Board may deemfit.
2	i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the

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	registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. However, the aforesaid time limit may be extended by the Board by way of a resolution thereto. ii. Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary of the Company, where the seal shall be affixed on every certificate before the aforesaid persons. iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3	i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer or if there is sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate or an addendum to the original certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of an amount not exceeding twenty rupees for each certificate. ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the Company.
4	i. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. ii. No notice of any trust, express, implied or constructive shall be entered on the register of members or of debenture holders of the Company.
5	i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40. iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6	i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. However, in the event that all shares are held by a single person or member, the quorum shall be of one person.

Article No.	Description
7	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
8	Subject to the provisions of Section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.
	Lien
9	i. The company shall have a first and paramount lien: (a) on every share (not being a fully paid share), 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 (not being fully paid shares) 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 may at any time declare any share to be wholly or in part exempt from the provisions of this clause. ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. iii. The fully paid-up shares shall be free from all lien and in the case of partly paid-up shares, the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
10	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11	i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer. iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12	i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, may be retained by the Company to be treated as capital reserve of the Company.
	Call on Shares

Article No.	Description
13	i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than fifteen days from the date fixed for the payment of the last preceding call. ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. iii. A call or a condition of allotment for payment of call may be revoked or postponed or altered at the discretion of the Board.
14	A call shall be deemed to have been made at the time when the resolution of the Board or any committee thereof authorizing the call was passed and may be required to be paid by instalments.
15	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16	i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.
17	i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18	The Board— i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Provided any amount paid up in advance of calls on any share shall not in respect thereof confer on the holder of such share the right to receive any dividends subsequently declared or to participate in profits of the Company.
	Transfer on Shares
19	i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article No.	Description
	iii. The Company shall use a common form of transfer of shares.
20	***Directors may refuse to register any transfer*** i. The Board may, subject to the right of appeal conferred by Section 58 decline to register— (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien. ii. The Directors may decline to register the transfer of any share if a call on such a share has been made unless and until the amount of such call together with the amount of all overdue calls, if any on such and on all other shares registered in the name of the member, either, solely or jointly with any other person and the amount of all interest, if any, in respect of overdue calls and costs shall have been first paid to the Company and notwithstanding that the time appointed for the payment of the call may not have arrived, but these Articles shall not apply to any transfer which may have been actually lodged with the Office previous to the resolution for the call having been passed by the Directors. Provided the registration of transfer shall not be refused on the ground that the transferor is either alone or jointly with another person or persons indebted to the Company on any account whatsoever, except a lien on shares. iii. If the Board of Directors refuse to register any transfer of share they shall, within one month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. iv. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by a person duly authorised by the Board in that behalf. In case of any transferee of a share applying for a new certificate in lieu of the old or existing certificate, he shall be entitled to receive a new certificate on payment by him (in addition to the transfer fee) of a sum of one rupee for every such certificate of share in respect of which the said transfer has been applied for, and upon his delivering up every cancelled old or existing certificate which is to be replaced by new one. v. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owners (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered to referred to in the books of the company, by the company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board shall think fit.
21	The Board may decline to recognise any instrument of transfer unless—

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	i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56; ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and iii. the instrument of transfer is in respect of only one class of shares.
22	On giving not less than seven days' previous notice in accordance with Section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
	Transmission of Shares
23	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 sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24	i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. iii. The provisions of clause 20 shall apply mutatis mutandis.
25	i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. iv. The Company shall use a common form of transmission of shares.
26	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a

Article No.	Description
	member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
	Forfeiture of shares
28	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
29	The notice aforesaid shall— (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
30	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
31	i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
32	i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
33	i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. iii. The transferee shall thereupon be registered as the holder of the share; and iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

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34	The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
	Alteration of Capital
35	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.
36	Subject to the provisions of Section 61, the Company may, by ordinary resolution: (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, reclassify the shares in different classes or its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (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.
37	Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock- holder” respectively.
38	i. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law: (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account. **Kinds of Share Capital** ii. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

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	(a) Equity share capital: (A) with voting rights; and/ or, (B) with differential rights as to dividend, voting or otherwise; and (b) Preference share capital. **Further Issue of Shares** iii. The Board or the Company as the case may be, may, in accordance with the Act and the rules framed thereunder, issue further shares to: (a) Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) Employees under any scheme of Employees' Stock Option; or (c) Any persons, whether or not those persons include the persons referred to in clause (a) or (b) hereinabove. **Mode of Further Issue of Shares** iv. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, bonus issue or in any other manner that the Board may deem fit, preferential offer, private placement, subject to and in accordance with the provisions of the Act and the rules framed thereunder. **Dematerialisation of Shares** v. Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act, 1996 and to offer its Shares, Debentures and other Securities for subscription in a dematerialised form. The Company shall further be either to maintain a Register of Members with details of Members holding Shares both in physical and dematerialised form in any media as permitted by law including any form of electronic media.
	Capitalisation of profits
39	i. The Company in general meeting may, upon the recommendation of the Board, resolve— (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards – (A) paying up any amounts for the time being unpaid on any shares held by such members respectively; (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

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	(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40	i. Whenever such a resolution as aforesaid shall have been passed, the Board shall— (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto. ii. The Board shall have power— (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the (c) case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; iii. Any agreement made under such authority shall be effective and binding on such members.
	Buy-back of shares
41	Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provision 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
42	All general meetings other than annual general meeting shall be called extraordinary general meeting.
43	i. The Board may, whenever it thinks fit, call extraordinary general meetings of the Company and such meetings shall be held at such place decided by the Board within India. ii. A general meeting of the Company may be called by giving not less than clear twenty one days' notice in writing or through electronic mode, however, a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at meeting and not on

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	others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.
	Proceedings at General Meetings
44	i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103.
45	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
46	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
47	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
	Adjournment of Meeting
49	i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. iv. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
	Voting rights
50	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 present in person shall have one vote; and *(b)* on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
51	A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.
52	i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
54	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

Article No.	Description
56	i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
	Proxy
57	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
58	An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.
59	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
	Board of Directors
60	i. The First Directors of the Company shall be: (a) Mr. Manish Kiritkumar Shah; (b) Mr. Kirit Ratanshi Shah; and (c) Mrs. Nikita Manish Shah. ii. The number of Directors shall not be less than three and not more than fifteen Directors. The Company shall have the power to increase the number of Directors beyond fifteen after passing a special resolution. iii. The subscribers to the Memorandum of Association and these Articles of the Company shall be first directors of the Company. iv. So long any monies are be owed by the Company to any finance corporation or credit corporation or to any financing company or body and/or so long as any finance corporation or credit corporation or any financing company or body holds the shares in the Company acquired as a result of undertaking, (which corporation or body is hereinafter in these Articles referred to as “the Corporation”), the Directors may authorise such Corporation to appoint from time to time any one or more person(s) as the Director/s (which Director(s) is hereinafter referred to as “Nominee Director”) and the Nominee Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director. The Corporation may at any time and from time to time remove any such Nominee Director or Directors appointed by it and may at the time of such removal and also in the case or death or resignation of the person(s) so appointed at any time appoint another or others in his or their place and also fill in any vacancy which may occur as result of any such Director or Director ceasing to hold that office for any reason whatever such appointment or removal shall be made in writing signed by the Chairman of the Corporation or any person or Director thereof authorised in this behalf and shall be

Article No.	Description
	delivered to the Company at its registered office. Every Corporation entitled to appoint a Director under these Articles may appoint one or more such person(s) as Director(s).
61	i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. ii. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.
62	The Board may pay all expenses incurred in getting up and registering the Company.
63	The Company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.
64	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
65	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose or record his attendance in any other manner.
66	i. Subject to the provisions of Section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles. ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. **Powers Of Directors** i. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in getting up and registering the Company and may exercise all such powers of the Company as are not, by the Act or any statutory modification thereof for the time being in force, or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the said Act and to such regulation being not inconsistent with the aforesaid meeting, but no regulations made by the Company in general meeting shall invalidate any prior Act of the Directors which would have been valid if that regulation had not been made. ii. In furtherance of and without prejudice to the general powers conferred by or implied in Article 58 and the other powers conferred by these Articles and subject to the provision of Section 179 of the Act, it is hereby expressly declared that it shall be lawful, for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to do the things which are necessary to execute these objects as and when required. iii. Subject to Section 179 of the Act, the Board may delegate all or any of its powers to any directors jointly or severally or to any one Director at their discretion.

Article No.	Description
	iv. Subject to the provision of Section 181 of the Act the Board is empowered to establish, maintain, support and subscribe to any national, charitable, benevolent general or useful object or fund, and any institution, society or club which may be for the benefit of the company or its employees or which in the opinion of the directors is calculated to promote the interests of the company directly or indirectly.
	Proceedings of the Board
67	i. A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Board may meet for the conduct of business, adjourn and otherwise regulate its meeting and proceedings, as it thinks fit, subject to the provisions of the Act. ii. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. iii. The Boardor any committee of the Board thereof shall be entitled to hold its meeting through video conferencing or audio visual means or other permitted means and in conducting the Board/Committee meetings through such video conferencing or audio visual or other permitted means the procedures and the precautions as laid down in the Act and the rules framed thereunder shall be adhered to with regard to every meeting conducted through video conferencing or audio visual means or other permitted means. The scheduled venue of the meetings shall be in India, shall be deemed to be the place of the said meeting and all recordings of the proceedings at the meeting shall be deemed to be made at such place. iv. A resolution not being a resolution required by the said Act or otherwise to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee as the case may be, at their addresses registered with the Company in India, by hand delivery or by post or courier or through electronic means as permissible under the relevant act and rules made thereunder and has been approved, in writing, signed whether manually or by secured electronic mode, by a majority of the members of Board or of a committee thereof, as are entitled to vote on the resolution(s).
68	i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
69	The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
70.	i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their member to be Chairperson of the meeting.
71	i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

Article No.	Description
72	i. A committee may elect a Chairperson of its meetings. ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
73	i. A committee may meet and adjourn as it thinks fit. ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, Matter shall be referred to the Board.
74	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. The general meeting of the Company may authorise or ratify any director individually for any purpose, work, authority which is generally or specifically to be done by the or at the meeting of the Board only whether required to be done by the Act or these Articles. Any such act done by the director individually will be deemed to have complied with all laws.
75	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
77	Subject to the provisions of the Act: (a) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; provided that hairperson of the Company may be appointed as the MD or CEO of the Company. (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
78	A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
	The Seal
79	i. The Board shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereto and the Board shall provide for the safe custody of the seal. ii. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or such other person as the Board may appoint for the purpose; and that director or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.
	Dividends and Reserve
80	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81	Subject to the provisions of Section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

Article No.	Description
82	i. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
83	i. 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. ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. iii. 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.
84	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
85	i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88	i. No dividend shall bear interest against the Company. **Unclaimed Dividend** ii. The Company shall not forfeit any unclaimed dividend before the claim becomes barred by law. Such unclaimed dividend shall be disposed of in the manner prescribed under Section 124 of the Act.
	Accounts
89	i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

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	ii. No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.
	Winding up
90	Subject to the applicable provisions of the Act and the rules framed thereunder: (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
	Indemnity
91	Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
	Others
92	**Debentures** i. Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise or may be issued on the condition that they shall be convertible into shares of any denomination or with any special privileges or conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors and otherwise. **Nomination By Shareholder/ Debenture Holder/ Depositor** ii. Every shareholder or debenture holder or depositor of the Company, may at any time, nominate a person to whom his shares or debentures or deposits shall vest in the event of his death in such manner as may be prescribed under the Act. iii. Where the shares or debentures or deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures or deposits, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act. iv. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures or deposits, the nominee shall, on the death of the shareholder or debenture holder or depositor or as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or deposits or, as the case may be, all the joint holders, in relation to such shares or debentures or deposits, to the exclusion

Article No.	Description
	of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act. v. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures or deposits, to make the nomination to appoint any person to become entitled to shares in or debentures of or deposits of the Company in the manner prescribed under the Act, in the event of his death, during the minority. vi. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either (i) register himself as holder of the share or debenture or deposit, as the case may be; or (ii) to make such transfer of the share or debenture or deposit, as the deceased shareholder or debenture holder or deposit holder, as the case may be, could have made. vii. If the nominee elects to be registered as holder of the share or debenture or deposit himself as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder or deposit holder, as the case may be. viii. A nominee shall be entitled to the share dividend, interest on debentures, deposits and other advantages to which he would be entitled if he were the registered holder of the share or debenture or deposit. Provided that he shall not before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company. ix. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture or deposit, and if the notice is not complied with within ninety days, the Board may hereafter withhold payment of all dividends, interest, bonuses or other moneys payable in respect of the share or debenture or deposit, until the requirements of the notice have been complied with. **General Authority** If the Act or any rules framed thereunder requires any specific permission in these Articles for carrying out the mentioned activity by the Board, general meeting or the Company, than it will be deemed that the same is authorised by these Articles, unless and until specifically prohibited by these Articles.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and will also be available at www.manbafinance.com from date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Issue

(a) Issue Agreement dated March 4, 2024 amongst our Company and the Book Running Lead Manager.

(b) Registrar Agreement dated March 4, 2024 between our Company and the Registrar to the Issue.

(c) Cash Escrow and Sponsor Bank Agreement dated [●] between our Company and the Registrar to the Issue, the Book Running Lead Manager, the Syndicate Members and the Bankers to the Issue.

(d) Syndicate Agreement dated [●] between our Company, the Book Running Lead Manager and Registrar to the Issue and Syndicate Members.

(e) Underwriting Agreement dated [●] between our Company and the Underwriters.

B. Material Documents

(a) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time;

(b) Certificate of incorporation dated May 31, 1996, issued by the RoC;

(c) Fresh certificate of incorporation dated January 31, 2005, issued by RoC at the time of conversion from a private company into a public company;

(d) Certificate of registration dated April 7, 1998 granted by the RBI, allotting registration number 13.00610, pursuant to which our Company was registered as a NBFC under Section 45-IA of the RBI Act.

(e) Revised certificate of registration dated January 27, 2022 granted by the RBI, pursuant to conversion of our Company to a public limited company, to carry on business of non-banking financial institution without accepting public deposits.

(f) Resolution of our Board of Directors dated December 28, 2023, in relation to the Issue and other related matters;

(g) Resolution of our Shareholders dated January 4, 2024, in relation to the Issue and other related matters;

(h) Resolution of our Board of Directors dated March 6, 2024 for approval of this Draft Red Herring Prospectus;

(i) Certificate dated March 6, 2024 from Venus Shah & Associates, Chartered Accountants verifying the Key Performance Indicators (KPIs);

(j) Copies of annual reports of our Company for the preceding three Fiscals.

(k) The examination report dated February 14, 2024, of our Statutory Auditors on our Restated Financial Statements, included in this Draft Red Herring Prospectus;

(l) Consent of the Promoters, Directors, the BRLM, the Syndicate Members, the Legal Counsel to the Issue, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Banks(s), Sponsor Bank, Public Issue Account Bank, the Bankers to our Company, the Company Secretary and Compliance Officer and the Chief Financial Officer, to act in their respective capacities;

(m) Consent of our Statutory Auditors to include their name in this Draft Red Herring Prospectus and as an "expert" defined under Section 2(38) of the Companies Act, 2013, read with Section 26 of the Companies Act, 2013, in respect of the reports of our Statutory Auditors on the Restated Financial Statements dated February 14, 2024, and the statement of possible tax benefits dated February 6, 2024, included in this Draft Red Herring Prospectus;

(n) Report titled '*Industry Report on NBFC Sector in India*' dated November 2023 prepared by CRISIL Limited, commissioned by our Company and is available on our Company's website at www.manbafinance.com/investor-relation/.

(o) Consent from CRISIL Limited dated March 5, 2024, to include contents or any part thereof from their report titled '*Industry Report on NBFC Sector in India*' dated November 2023, in this Draft Red Herring Prospectus;

(p) Due diligence certificate dated March 6, 2024, addressed to the SEBI from the BRLM;

(q) Tripartite agreement dated January 15, 2024, between our Company, NSDL and the Registrar to the Issue;

(r) Tripartite agreement dated January 11, 2024, between our Company, CDSL and the Registrar to the Issue;

(s) In-principle approvals issued by BSE and NSE pursuant to their letters dated [●] and [●], respectively; and

(t) SEBI observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with 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, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Manish Kirtikumar Shah
Managing Director

Place: Mumbai
Date: March 6, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nikita Manish Shah
Whole Time Director

Place: Mumbai
Date: March 6, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Monil Manish Shah
Whole Time Director

Place: Mumbai
Date: March 6, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Jay Khushal Mota
Whole Time Director

Place: Mumbai
Date: March 6, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anshu Shrivastava
Chairman and Independent Director

Place: Mumbai
Date: March 6, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Abhinav Sharma
Independent Director

Place: Hyderabad
Date: March 6, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Neelam Tater
Independent Director

Place: Ahmedabad
Date: March 6, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINACIAL OFFICER OF OUR COMPANY

Jay Khushal Mota
Chief Financial Officer

Place: Mumbai
Date: March 6, 2024