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CREDILA FINANCIAL SERVICES LIMITED

(formerly known as *HDFC Credila Financial Services Limited*)

CORPORATE IDENTITY NUMBER: U67190MH2006PLC159411

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
B - 301, Citi Point, Next to Kohinoor Continental, Andheri- Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India	701, Windsor House, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India	Karishma Jhaveri, Company Secretary and Compliance Officer	Tel: +91 22 6996 9300 Email: investor.relations@credila.com	https://credila.com

PROMOTER OF OUR COMPANY: KOPVOORN B.V.

DETAILS OF THE OFFER

Type	Fresh Issue size	Offer for Sale size	Total Offer size	Eligibility and Share Reservation among QIBs, NIIs, RIIs and Eligible Employees
Fresh Issue and an Offer for Sale	Fresh issue of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹30,000.00 million	Offer for sale of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹20,000.00 million	Up to [●] Equity Shares of face value ₹10 each aggregating up to ₹50,000.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ SEBI ICDR Regulations ”). For further details, see “ <i>Other Regulatory and Statutory Disclosures – Eligibility for the Offer</i> ” on page 498. For details in relation to share reservation among QIBs, NIIs, RIIs and Eligible Employees, see “ <i>Offer Structure</i> ” on page 525.

DETAILS OF OFFER FOR SALE

Name of Selling Shareholders	Type	Number of Equity Shares of face value of ₹10 each offered/ amount (₹ in million)	Weighted average cost of acquisition per Equity Share of face value of ₹10 each (in ₹)*
Kopvoorn B.V.	Promoter Selling Shareholder	Up to [●] Equity Shares of face value ₹10 each aggregating up to ₹9,500.00 million	681.50
HDFC Bank Limited	Other Selling Shareholder	Up to [●] Equity Shares of face value ₹10 each aggregating up to ₹10,500.00 million	154.03

*As certified by *Mukund M Chitale & Co., Chartered Accountants*, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, the Cap Price and the Offer Price (each as determined by our Company, in consultation with the BRLMs), in accordance with the SEBI ICDR Regulations, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in “*Basis for Offer Price*” on page 136, 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 or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares being offered in the Offer 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 Updated Draft Red Herring Prospectus-I. Specific attention of the Bidders is invited to “*Risk Factors*” beginning on page 42.






ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Updated Draft Red Herring Prospectus-I contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Updated Draft Red Herring Prospectus-I 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 Updated Draft Red Herring Prospectus-I as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Updated Draft Red Herring Prospectus-I to the extent such statements specifically pertain to them and/or their Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. No Selling Shareholder assumes severally and not jointly, any responsibility for any other statements, disclosures, undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or relating to our Company or its business, or by any other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus-I.

LISTING

The Equity Shares, offered through the Red Herring Prospectus are proposed to be listed on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE” and together with NSE, the “**Stock Exchanges**”). For the purposes of the Offer, the National Stock Exchange of India Limited is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Name of the Book Running Lead Managers and logo	Contact Person	Email and Telephone
Axis Capital Limited 	Pratik Pednekar	E-mail: credila.ipo@axiscap.in Tel.: +91 22 4325 2183
Citigroup Global Markets India Private Limited 	Dylan Jude Fernandes	E-mail: credilaipo@citi.com Tel.: +91 22 6175 9999
Goldman Sachs (India) Securities Private Limited 	Sumedha Srinivasan	E-mail: gs-credila@gs.com Tel.: +91 22 6616 9000
IIFL Capital Services Limited (formerly known as IIFL Securities Limited) 	Dhruv Bhavsar / Pawan Kumar Jain	E-mail: credilafsl.ipo@iiflcap.com Tel.: +91 22 4646 4728
Jefferies India Private Limited 	Suhani Bhareja	E-mail: Credila.IPO@jefferies.com Tel.: + 91 22 4356 6000

REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Email and Telephone
KFin Technologies Limited	M Murali Krishna	E-mail: cfsl.ipo@kfintech.com Tel.: +91 40 67162222/18003094001

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]*	BID/OFFER OPENS ON	[●]*	BID/OFFER CLOSES ON [#]	[●]**
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*Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

** Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

Credila

CREDILA FINANCIAL SERVICES LIMITED

(formerly known as HDFC Credila Financial Services Limited)

Our Company was incorporated as “Credila Financial Services Private Limited”, a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation dated February 1, 2006 by the Registrar of Companies, Maharashtra at Mumbai (“**Registrar of Companies**” / “**RoC**”). Our Company’s name was changed from “Credila Financial Services Private Limited” to “HDFC Credila Financial Services Private Limited” by a special resolution at the EGM held on January 16, 2017, and the Registrar of Companies issued a fresh certificate of incorporation on February 19, 2017. Further, pursuant to a special resolution passed by our Shareholders at the AGM dated July 29, 2020, the name of our Company was changed from “HDFC Credila Financial Services Private Limited” to “HDFC Credila Financial Services Limited” due to conversion of our Company from a private limited company to a public limited company, and the Registrar of Companies issued a fresh certificate of incorporation on October 8, 2020. Furthermore, pursuant to a special resolution passed by our Shareholders at the EGM dated September 5, 2024, the name of our Company was changed from “HDFC Credila Financial Services Limited” to “Credila Financial Services Limited”, and the Registrar of Companies issued a fresh certificate of incorporation on October 21, 2024. For further details, see “*History and Certain Corporate Matters*” on page 274.

Corporate Identity Number: U67190MH2006PLC159411

Registered Office: B - 301, Citi Point, Next to Kohinoor Continental, Andheri- Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India; **Corporate Office:** 701, Windsor House, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India **Tel:** +91 22 6996 9300

Contact Person: Karishma Jhaveri, Company Secretary and Compliance Officer; **E-mail:** investor.relations@credila.com; **Website:** https://credila.com

OUR PROMOTER: KOPVOORN B.V.

INITIAL PUBLIC OFFERING OF UP TO [a] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE “EQUITY SHARES”) OF CREDILA FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS HDFC CREDILA FINANCIAL SERVICES LIMITED) (“COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF ₹[a] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[a] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING UP TO ₹50,000.00 MILLION (THE “OFFER”) COMPRISING A FRESH ISSUE OF UP TO [a] EQUITY SHARES OF FACE VALUE ₹10 EACH BY OUR COMPANY AGGREGATING UP TO ₹30,000.00 MILLION (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO [a] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹20,000.00 MILLION, BY THE SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) (THE “OFFER FOR SALE”) AND SUCH EQUITY SHARES OFFERED FOR BY THE SELLING SHAREHOLDERS, THE “OFFERED SHARES”). THIS OFFER INCLUDES A RESERVATION OF UP TO [a] EQUITY SHARES OF FACE VALUE ₹10 EACH (CONSTITUTING UP TO [a]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WOULD CONSTITUTE [a]% AND [a]%, RESPECTIVELY, OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO [a]% (EQUIVALENT TO ₹[a] PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”).

A PRE-IPO PLACEMENT OF THE SPECIFIED SECURITIES MAY BE UNDERTAKEN BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹6,000.00 MILLION (“PRE-IPO PLACEMENT”). THE PRE – IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (“SCRR”). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND PROSPECTUS.

THE PRICE BAND, THE MINIMUM BID LOT AND THE EMPLOYEE DISCOUNT, IF ANY, WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF NAVSHAKTI, A MARATHI DAILY NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [a] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company in consultation with the Book Running Lead Managers, may, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum period of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein, in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”, and such portion, the “**QIB Portion**”), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations (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 the domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 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 Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors (out of which one third shall be reserved for Bidders with Bids exceeding ₹0.20 million and up to ₹1.00 million and two-thirds shall be reserved for Bidders with Bids exceeding ₹1.00 million) , 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 Investors and (b) not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer 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 (as defined hereinafter), as applicable, pursuant to which the corresponding Bid Amount, which will be blocked by the Self Certified Syndicate Banks (“**SCSBs**”) or the Sponsor Bank(s) under the UPI Mechanism, 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 details, see “*Offer Procedure*” on page 530.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the equity shares is ₹10. The Floor Price, Cap Price and Offer Price as determined and justified by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated under “*Basis for Offer Price*” on page 136 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have 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 Updated Draft Red Herring Prospectus-I. Specific attention of the Bidders is invited to “*Risk Factors*” on page 42.

ISSUER’S AND SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Updated Draft Red Herring Prospectus-I contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Updated Draft Red Herring Prospectus-I 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 Updated Draft Red Herring Prospectus-I as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only those statements specifically made by such Selling Shareholders in this Updated Draft Red Herring Prospectus-I, to the extent of information specifically pertaining to them and/or their respective portion of the Offered Shares in the Offer for Sale, and assumes full responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. No Selling Shareholder assumes any responsibility for any other statements, disclosures, undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or relating to our Company or its business, or by any other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus-I.

LISTING

The Equity Shares to be Allotted 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 each dated March 4, 2025. For the purposes of the Offer, the Designated Stock Exchange shall be the National Stock Exchange of India Limited. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see “*Material Contracts and Documents for Inspection*” on page 595.

BOOK RUNNING LEAD MANAGERS TO THE OFFER					REGISTRAR TO THE OFFER
					
Axis Capital Limited 1st Floor, Axis House P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel.: +91 22 4325 2183 E-mail: credila ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Pratik Pednekar SEBI Registration No.: INM000012029	Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Center G – Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: credilaipo@citi.com Investor Grievance E-mail: investors.cgmb@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact person: Dylan Jude Fernandes SEBI Registration No.: INM000010718	Goldman Sachs (India) Securities Private Limited 951-A, Rational House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India Tel: +91 22 6616 9000 E-mail: gs-credila@gs.com Investor Grievance E-mail: india-client-support@gs.com Website: www.goldmansachs.com Contact person: Sumedha Srinivasan SEBI Registration No.: INM000011054	IIFL Capital Services Limited (formerly known as IIFL Securities Limited) 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4728 E-mail: credilafsl.ipo@iiflcap.com Investor Grievance E-mail: ig_ib@iiflcap.com Website: www.iiflcap.com Contact person: Dhruv Bhavsar / Pawan Kumar Jain SEBI Registration No.: INM000010940	Jefferies India Private Limited Level 16, Express Towers, Nariman Point, Mumbai – 400 021, Maharashtra, India Tel: + 91 22 4356 6000 E-mail: Credila.IPO@jefferies.com Investor Grievance E-mail: jiapl.grievance@jefferies.com Website: www.jefferies.com Contact person: Suhani Bhareja SEBI Registration No.: INM000011443	KFin Technologies Limited Selenium Tower B, Plot No. 31 and 32 Financial District, Nanakramguda Serilingampally, Hyderabad Rangareddi – 500 032 Telangana, India Tel: +91 40 6716 2222/18003094001 E-mail: cfsi.ipo@kfintech.com Investor grievance E-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact person: M Murali Krishna SEBI Registration No.: INR000000221

BID/ OFFER SCHEDULE					
ANCHOR INVESTOR BIDDING DATE	[●]*	BID/ OFFER OPENS ON	[●]*	BID/ OFFER CLOSES ON#	[●]**

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

**Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Updated Draft Red Herring Prospectus-I uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, circulars or policies shall be to such legislation, act, regulation, rules, guidelines, circulars 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 Updated Draft Red Herring Prospectus-I 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, NBFC Scale Based Regulations and the rules and regulations made thereunder, as applicable. Further, the Offer related terms used but not defined in this Updated Draft Red Herring Prospectus-I shall have the meanings ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail. Notwithstanding the foregoing, the terms used in “Industry Overview”, “Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Financial Statements”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Financial Indebtedness”, “Other Regulatory and Statutory Disclosures”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments”, “Government and Other Approvals”, “Restrictions on Foreign Ownership of Indian Securities” and “Description of Equity Shares and Terms of Articles of Association” on pages 170, 251, 164, 328, 136, 274, 471, 495, 439, 478, 485, 554, and 556, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
our Company / the Company / the Issuer	Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited), a company incorporated under the Companies Act, 1956 and having its Registered Office at B - 301, Citi Point, Next to Kohinoor Continental, Andheri- Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India
we / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
Allotment Committee	The allotment committee of our Company, as described in “Our Management – Corporate Governance – Committees of the Board” on page 292
Articles of Association / AoA	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted in accordance with the Section 177 of the Companies Act, 2013, NBFC Scale Based Regulations and Regulations 18 and 62F of the SEBI Listing Regulations, as described in “Our Management – Corporate Governance – Committees of the Board” on page 292
Board / Board of Directors	The board of directors of our Company, or a duly constituted committee thereof. For further details, please see the section titled “Our Management” on page 280
CCPS - Round I	Compulsorily convertible preference shares - round i of face value ₹10
CCPS - Round II	Compulsorily convertible preference shares - round ii of face value ₹10
CCPS - Round III	Compulsorily convertible preference shares - round iii of face value ₹10
CCPS - Round IV	Compulsorily convertible preference shares - round iv of face value ₹10
CCPS - Round V	Compulsorily convertible preference shares - round v of face value ₹10
CCPS - Round VI	Compulsorily convertible preference shares - round vi of face value ₹10
CCPS - Round VII	Compulsorily convertible preference shares - round vii of face value ₹10
CCPS - Round VIII	Compulsorily convertible preference shares - round viii of face value ₹10
CCPS - Round IX	Compulsorily convertible preference shares - round ix of face value ₹10
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company, being Arijit Sanyal as disclosed in “Our Management” on page 280
Chief Financial Officer	The chief financial officer of our Company, being Manjeet P Bijlani as disclosed in “Our Management– Key Managerial Personnel” on page 310

Term	Description
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Karishma Jhaveri, as disclosed in “Our Management – Key Managerial Personnel” on page 310
Corporate Office	The corporate office of our Company located at 701, Windsor House, CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India
CSR and Sustainability Committee	The corporate social responsibility and sustainability committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are provided in “Our Management – Corporate Governance – Committees of the Board” on page 292
Director(s)	The directors on the Board, appointed from time to time.
Equity Shares	The equity shares of our Company of face value of ₹10 each
Fund Raising Committee	The fund raising committee as described in “Our Management – Corporate Governance – Committees of the Board” on page 292
Group Companies	Our group companies as defined and disclosed in “Our Group Companies” on page 489
Independent Directors	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013, the details of whom are provided in “Our Management” on page 280
Independent Chartered Accountant	Mukund M Chitale & Co., Chartered Accountants
Investment Agreement	Investment agreement dated June 19, 2023 entered between our Company, HDFC Bank Limited, HDFC Limited, Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners read with letter agreement dated July 5, 2023, second letter agreement dated August 22, 2023 and third letter agreement dated March 17, 2024.
IT Strategy Committee	The IT strategy committee of our Company, constituted in accordance with Master Direction – Information Technology Governance, Risk, Control and Assurance Practices dated November 7, 2023, as described in “Our Management – Corporate Governance – Committees of the Board” on page 292
Joint Statutory Auditors / Statutory Auditors	The current joint statutory auditors of our Company, being M/s Price Waterhouse LLP, Chartered Accountants and M/s Gokhale & Sathe, Chartered Accountants
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, and as described in “Our Management – Key Managerial Personnel” on page 310
MoA / Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee / NRC	The nomination and remuneration committee of our Company, constituted in accordance with Regulations 19 and Regulation 62G of the SEBI Listing Regulations, NBFC Scale Based Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management – Corporate Governance – Committees of the Board” on page 292
Non-executive Director(s)	The non-executive directors of our Company, as disclosed in “Our Management” on page 280
OCPS - Round I	Optionally convertible preference shares - round i of face value ₹10
OCPS - Round II	Optionally convertible preference shares - round ii of face value ₹10
OCPS - Round III	Optionally convertible preference shares - round iii of face value ₹10
OCPS - Round IV	Optionally convertible preference shares - round iv of face value ₹10
OCPS - Round V	Optionally convertible preference shares - round v of face value ₹10
OCSDs	Optionally convertible subordinated debentures of face value ₹20.15
Other Selling Shareholder	HDFC Bank Limited
Promoter	Our Promoter, namely, Kopvoorn B.V.
Promoter Selling Shareholder	Kopvoorn B.V.
Promoter Group	Entity constituting the promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see “Our Promoter and Promoter Group – Promoter Group” on page 316
Registered Office	Registered office of our Company located at B - 301, Citi Point, Next to Kohinoor Continental, Andheri- Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India
Registrar of Companies / RoC	The Registrar of Companies, Maharashtra at Mumbai
Restated Financial Information	Restated financial information of our Company comprising of the restated statement of assets and liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, the basis of preparation, material accounting policies, notes to the restated financial information and statement of adjustments to audited financial statements as at and for the

Term	Description
	years ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with the requirements of Section 26 of the Companies Act 2013; Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time.
Review Committee	The review committee of our Company, as described in “ <i>Our Management – Corporate Governance – Committees of the Board</i> ” on page 292
Risk Management Committee	The risk management committee constituted in accordance with the applicable provisions of the NBFC Scale Based Regulations and Regulation 62I of the SEBI Listing Regulations as described in “ <i>Our Management– Corporate Governance – Committees of the Board</i> ” on page 292
Senior Management Personnel / SMP	Senior management personnel of our Company in terms of Regulation 2(1)(bbb) of the SEBI ICDR Regulations and as described in “ <i>Our Management– Senior Management Personnel</i> ” on page 310
SHA / Shareholders’ Agreement	Shareholders’ agreement dated June 19, 2023, read with the letter agreement dated March 18, 2024, deed of adherence dated April 3, 2024 and second deed of adherence dated October 14, 2024 entered into by and amongst our Company, HDFC Bank Limited, Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners, Shinhan Bank and HDFC Life Insurance Company Limited as amended by the waiver cum amendment agreement dated December 26, 2024 entered into between our Company, HDFC Bank Limited, Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V., Infinity Partners, Shinhan Bank and HDFC Life Insurance Company Limited.
Shareholders	Equity shareholders of our Company, from time to time
Shinhan Bank	Shinhan Bank Co. Ltd.
SSA	Share subscription agreement dated April 3, 2024, entered into by and between our Company and Shinhan Bank
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 62H of the SEBI Listing Regulations and as described in “ <i>Our Management – Corporate Governance – Committees of the Board</i> ” on page 292
Waiver cum Amendment Agreement	Waiver cum amendment agreement to the SHA dated December 26, 2024, entered into amongst our Company, HDFC Bank Limited, Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V., Infinity Partners, Shinhan Bank and HDFC Life Insurance Company Limited

Offer 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 to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	Qualified Institutional Buyer(s), applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100.00 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Bid/Offer Period	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed

Term	Description
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Anchor Investor Offer Price. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount / ASBA	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the 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	Bank account maintained with a SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Structure” on page 525
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto 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, in the case of Retail Individual Investors Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RII and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be Cap Price (net of the Employee Discount), multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹0.50 million (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount)
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value ₹10 each and in multiples of [●] Equity Shares of face value ₹10 each thereafter
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

Term	Description
	Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date will be published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an 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 provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	Axis Capital Limited, Citigroup Global Markets India Private Limited, Goldman Sachs (India) Securities Private Limited, IIFL Capital Services Limited (<i>formerly known as IIFL Securities Limited</i>) and Jefferies India Private Limited
Broker Centres	Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revision thereof. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat 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 SEBI RTA Master Circular and the SEBI ICDR Master Circular issued by SEBI and the Stock Exchanges as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company, in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only Retail Individual Investors and Eligible Employees are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective

Term	Description
	websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	<p>In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>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, as the case may be, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and Non-Institutional Investors (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs</p>
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
Eligible Employees	<p>Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company; or a Director of our Company, (excluding such Directors who are not eligible to invest in the Offer under applicable laws) whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company until the date of submission of the Bid cum Application Form, but not including (i) Promoter; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹0.50 million (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount)</p>
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Our Company may, in consultation with the BRLMs, offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares of face value ₹10 each, aggregating ₹[●] which shall not exceed [●]% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis.
Escrow Account(s)	Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●]

Term	Description
First Bidder/Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Fresh Issue	<p>Fresh issue of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹30,000.00 million by our Company.</p> <p>A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) Shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.</p>
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	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges, and the BRLMs
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
Industry Report	The industry report titled “Report on Education Financing Industry in India” dated June 26, 2025, which is exclusively prepared for the purpose of the Offer and issued by Redseer Strategy Consultants Private Limited and is commissioned and paid for by our Company. Redseer Strategy Consultants Private Limited was appointed by our Company pursuant to engagement letter dated November 12, 2024. This report is available on the website of our Company at https://credila.com/about/investor-relation.html
Materiality Policy	The materiality policy of our Company adopted by our Board dated December 24, 2024, as amended by our Board on May 16, 2025, for (a) identification of material litigation; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Updated Draft Red Herring Prospectus-I
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares of face value ₹10 each which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see “ <i>Object of the Offer</i> ” on page 129
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Investors / NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount of more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	<p>The portion of the Net Offer, being not less than 15% of the Net Offer or [●] Equity Shares of face value ₹10 each, which shall be available for allocation to Non-Institutional Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which</p> <ol style="list-style-type: none"> one third shall be reserved for Bidders with Bids exceeding ₹0.20 million up to ₹1.00 million; and two-thirds shall be reserved for Bidders with Bids exceeding ₹1.00 million <p>Provided that the unsubscribed portion in either of the sub-categories specified in (i) or (ii) above, may be allocated to applicants in the other sub-category of Non-Institutional Investors.</p>

Term	Description
Non-Resident	Person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	<p>The initial public offer of up to [●] equity shares of face value of ₹10 each for cash at a price of ₹[●] each aggregating up to ₹50,000.00 million, consisting of:</p> <ul style="list-style-type: none"> – Fresh Issue of up to [●] equity shares of face value of ₹10 each aggregating up to ₹30,000.00 million; – Offer for Sale of up to [●] equity shares of face value of ₹10 each aggregating up to ₹20,000.00 million by the Selling Shareholders. <p>A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.</p> <p>The Offer comprises of the Net Offer and Employee Reservation Portion</p>
Offer Agreement	Agreement dated December 26, 2024 entered amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to [●] equity shares of face value of ₹10 each aggregating up to ₹20,000.00 million by the Selling Shareholders in the Offer
Offer Price	<p>The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus.</p> <p>The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus</p> <p>A discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company, in consultation with the BRLMs.</p>
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to each of the Selling Shareholders in proportion to the respective portion of Offered Shares of each such Selling Shareholder. For further information about use of the Offer Proceeds, see “ <i>Object of the Offer</i> ” on page 129
Offered Shares	Up to [●] equity shares of face value of ₹10 each aggregating up to ₹20,000.00 million being offered for sale by the Selling Shareholders in the Offer for Sale
“Pre-filed Draft Red Herring Prospectus” or “Pre-filed DRHP”	The pre-filed draft red herring prospectus dated December 26, 2024 filed with SEBI and the Stock Exchanges, in accordance with Chapter IIA of the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Pre – IPO Placement	<p>A private placement, rights issue, preferential offer or any other method of specified securities as may be permitted under applicable laws, subject to receipt of appropriate approvals, may be undertaken by our Company, in consultation with the BRLMs, to any person, for an aggregate amount not exceeding ₹6,000 million.</p> <p>The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; and (iii) shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.</p>

Term	Description
Price Band	<p>Price band of a minimum price of ₹[●] per equity shares of face value of ₹10 each (Floor Price) and the maximum price of ₹[●] per equity shares of face value of ₹10 each (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price.</p> <p>The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites</p>
Pricing Date	Date on which our Company, in consultation with the BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer Account Bank(s), under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	Bank(s) which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Net Offer, being not more than 50% of the Net Offer or [●] Equity Shares of face value ₹10 each to 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 BRLMs up to a limit of 60% of the QIB Portion), subject to valid Bids being received at or above the Offer 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	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Redseer	Redseer Strategy Consultants Private Limited
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of SEBI ICDR Master Circular issued by SEBI
Registrar Agreement	Agreement dated December 26, 2024 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer
Registrar and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, SEBI RTA Master Circular issued by SEBI as per the list available on the websites of the Stock Exchanges, and the UPI Circulars
Registrar to the Offer / Registrar	KFin Technologies Limited
Retail Individual Investor(s)/RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Net Offer, being not less than 35% of the Net Offer or [●] Equity Shares of face value ₹10 each, available for allocation to Retail Individual Investors subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid lot, subject to availability in the Retail Portion
Revision Form	<p>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.</p> <p>QIB Bidders and Non-Institutional Investors 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 Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date</p>

Term	Description
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI.
Selling Shareholders	Collectively, the Promoter Selling Shareholder and Other Selling Shareholder
Self-Certified Syndicate Bank(s) or SCSB(s)	<p>The banks registered with SEBI, which offer the facilities (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders, 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 and updated from time to time.</p> <p>Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be available 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 prescribed by SEBI and updated from time to time</p>
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares by each of the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Sponsor Bank(s)	[●] and [●], being the Banker(s) to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars
Syndicate / Members of the Syndicate	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Registrar, and the Underwriters prior to the filing of the Red Herring Prospectus or Prospectus with the RoC and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations
“Updated Draft Red Herring Prospectus - I” or “UDRHP - I”	This updated draft red herring prospectus - I dated June 26, 2025 filed with SEBI and the Stock Exchanges, after complying with the observations issued by SEBI and Stock Exchanges on the Pre-filed Draft Red Herring Prospectus and after incorporation of other updates, in accordance with the Chapter IIA of the SEBI ICDR Regulations and in compliance with the other applicable provisions of the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidder(s)	<p>Collectively, individual Bidders applying as (i) Retail Individual Investors in the Retail Portion, and (ii) Eligible Employee Bidding in Employee Reservation Portion; and (iii) Non- Institutional Investors with an application size of up to ₹0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.</p> <p>Pursuant to SEBI ICDR Master Circular issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹0.50 million 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</p>

Term	Description
	to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	The SEBI ICDR Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI RTA Master Circular (to the extent it pertains to UPI), SEBI master circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), and any subsequent circulars or notifications issued by SEBI in this regard, along with the circular issued by the National Stock Exchange of India Limited 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, Stock Exchanges or any other governmental authority in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. Such request shall be accepted by UPI Bidders at or before 5.00 pm on Bid/Offer Closing Date.
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
AA	Account Aggregators
ACH	Automated clearing house
AePS	Aadhar Enabled Payment System
AFC	Asset Finance Company
AISHE	All India Survey on Higher Education
ALM	Assets liability management
AML	Anti-money laundering
AUM	Assets under management
AUM / Branch	AUM per branch is calculated as AUM as of the last day of the relevant year divided by the number of branches as of the last day of the relevant year
BPS	Basis points
CAGR	Compound annual growth rate
CBLR	Credila Benchmark Lending Rate
CIC	Core Investment Company
CPT	Curricular Practical Training
DLI	Designated Learning Institution
DSA	Direct Sales Agent
ECB	External Commercial Borrowing
ECL	Expected credit loss
EMI	Equated monthly instalments, which includes principal and interest repayments
ESI	Employee State Insurance
EWS	Early warning signals
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GNI	Gross National Income
GNPA	Gross non-performing assets
HFC	Housing Finance Company
IB	International baccalaureate
ICAAP	Internal capital adequacy assessment process
IDF	Infrastructure Debt Funds
IFC	Infrastructure Finance Company
IMPS	Immediate Payment Service

Term	Description
IRMC	Internal Risk Management Committee
Key performance indicators or KPIs	Key numerical measures of our Company's historical financial and/or operational performance, which our management evaluates and tracks to monitor our performance and which provides information to the investors to make an informed decision with respect to the valuation of our Company
KYC	Know-your-customer
LC	Loan Companies
LCR	Liquidity coverage ratio
LMS	Loan management system
LOS	Loan origination system
LTV	Loan to value
MBA	Master's in business administration
MI	Monthly Instalment
MOB	Months on book
MPCE	Monthly Per Capita Consumption Expenditure
MSME	Micro, Small and Medium Enterprises
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NBFC Scale Based Regulations	Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023 read with such other directions, circulars and guidelines issued by the RBI
NBFC-D	Deposit taking Non-Banking Financial Company
NBFC-MFI	Non-Banking Financial Company - Micro Finance Institutions
NBFC-ND	Non-Deposit taking Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
Net Income	Net Income represents the difference between Total Income and Finance Cost for the relevant year
NETC	National Electronic Toll Collection
NII	Net interest income
NIM	Net interest margin
NOFHC	Non-operative financial holding company
NPA	Non-performing asset
NPISH	Non-Profit Institutions Serving Households
NPS	National Pension Scheme
NPTEL	National Programme on Technology Enhanced Learning
OPT	Optional Practical Training
P2P	Peer-to-peer
PBC	Principal business criteria
PESTLE	Political, economic, sociological, technological, legal, and environmental
PGWP	Post-Graduation Work Permit
PMII	Pre-Monthly Instalment Interest
PMJDY	Pradhan Mantri Jan Dhan Yojana
RMC	Risk Management Committee
RoA	Return on asset
RoE	Return on equity
RTGS	Real Time Gross Settlement
SICR	Significant increase in credit risk
SOP	Standard operating procedure
SPD	Standalone Primary Dealers
STEM	Science, Technology, Engineering and Mathematics
SWAYAM	Study Webs of Active- Learning for Young Aspiring Minds
TAM	Total Addressable Market
UMANG	Unified Mobile Application for New-age Governance
UNESCO	United Nations Educational Scientific and Cultural Organisation
UPI	Unified Payments Interface

Key Operational and Financial Metrics used in this Updated Draft Red Herring Prospectus-I (As identified in the Basis for Offer Price section)

Particulars	Description
AUM	Assets Under Management (AUM) is the aggregate of Gross Loan Book and assigned loan assets, which represents the aggregate amount of off-book loan assets

Particulars	Description
	that have been transferred by way of assignment as at the last day of the specified period.
AUM Growth (%)	AUM Growth represents percentage growth in AUM as of the relevant balance sheet date over AUM as of the previous comparable period.
Total Net Loans	Total Net Loans represents aggregate of loan receivable (including overdue) from the borrowers after considering impairment loss allowances as on the last day of the relevant year.
Disbursements	Disbursements represents the aggregate of all loan amounts disbursed to our borrowers in the relevant year.
Disbursements Growth (%)	Disbursement Growth represents percentage growth in Disbursements for the relevant year over Disbursement of the previous comparable period.
Disbursement - Overseas Education Loan	Disbursements - Overseas Education Loan represents the aggregate of all loan amounts disbursed in the relevant year to our borrowers studying in universities overseas.
Average Ticket Size (Sanctioned Loan)	Total amount sanctioned during the relevant period divided by number of sanctions during the relevant period
Outstanding number of education loans	Outstanding number of education loans: This represents the total count of education loans based on outstanding AUM as of the last day of relevant period.
Cumulative number of education loans disbursed	Cumulative number of student loans disbursed: This represents the total count of education loans disbursed since inception up to the last day of relevant period.
Number of countries covered	This represents the total number of countries where our Company has disbursed student loans up to the end of the relevant period
Number of universities	This represents the total number of universities where our Company has disbursed student loans up to the end of the relevant period
Number of employees	This represents the total number of employees; including on-roll and off-roll as of the last day of the relevant period
AUM per Employee	AUM per employee represents AUM as of the last day of the relevant year, divided by the number of our total employees, as of the last day of the relevant year.
No. of Branches	This represents the total number of active branches as of the last day of the relevant period.
Total Income	This represents the Total Income for the relevant period; includes revenue from operations and other income.
Restated Net Profit After Tax	Restated net profit after tax for the period represents the net profit after tax for the relevant period
Net Worth	Net worth means aggregate of equity share capital and other equity as at the end of the relevant year.
Total Borrowings	Outstanding borrowings at the last day of the specified period. Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as at the last day of specified period.
Average Yield on Loans (%)	Average Yield on Loans is the ratio of Interest Income on Education Loans to the Average Gross Loan Book. Average Gross Loans here computed as average of Gross Loans as at the end of previous fiscal year and as at the end of the relevant year.
Average cost of borrowing (%)	Average Cost of Borrowings is the ratio of Finance Cost to Average Total Borrowings. Average Borrowings here computed as average of total borrowings as at the end of previous fiscal year and as at the end of the relevant year.
Net Interest Margin (%)	Net Interest Margin is computed as the sum of Interest Income and Net Gain on Fair Value changes less Finance Costs for the year divided by the Average Interest Earning Assets, expressed as a percentage. Average Interest Earning Assets here computed as average of total interest earning assets as at the end of previous fiscal year and as at the end of the relevant year.
Cost Income Ratio (%)	Cost to Income Ratio represents the ratio of operating expenses, which is aggregate of employee benefits expense, depreciation and amortization expense, other expenses divided by the total income less finance cost for the relevant year, expressed as a percentage.
Operating expense to Average Total Assets (%)	Operating Expenses to Average Total Assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant year upon the average of total assets as at the end of previous fiscal year and total assets as at the end of relevant year, represented as a percentage.
Credit cost to Average Total Assets (%)	Credit Cost to Average Total Assets represents impairment of financial instruments for the relevant year upon the average of total assets as at the end of previous fiscal year and total assets as at the end of relevant year, represented as a percentage.
Return on Total Assets (%)	Return on Total Assets is computed as Restated Net Profit after Tax divided by Average Total Assets for the specified year. Average Total Assets here represents the simple average of our Total Assets as at the end of previous fiscal year and Total Assets as at the end of the relevant year, represented as a percentage.

Particulars	Description
Return on Equity (ROE) (%)	Return on Equity is computed as Restated Net Profit after Tax divided by Average Equity for the specified year. Average Equity here represents the simple average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as at the end of previous fiscal year and Total Equity as at the end of the relevant year.
Tier I Capital (%)	Tier I Capital Ratio is computed by dividing our Company's Net Owned Funds by risk weighted assets, each as computed in accordance with relevant RBI guidelines
Capital to risk weighted assets ratio (%)	Capital to Risk Weighted Assets Ratio is computed by dividing our Company's Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines
Debt to Equity	Debt to Equity ratio is computed as Total Borrowings divided by Total Equity of the relevant year
Net Asset Value per equity share	Net Asset Value per equity share = Net worth at the end of the period, as restated, divided by the number of Equity Shares outstanding at the end of the period
Collection efficiency (%)	Collection Efficiency is computed as average of Current Collections for the month divided by Current billings for the month
Gross Stage 3 loans (%)	Gross Stage 3 Loans (%) is computed by dividing the Gross Stage 3 Loans by Gross Loans as of the end of the relevant year
Net Stage 3 loans (%)	Net Stage 3 Loans (%) is computed by dividing the Net Stage 3 Loans by Net Loans as of the end of the relevant year
Provision coverage ratio	Provision Coverage Ratio is computed by dividing the impairment loss allowance for Stage 3 loans by Gross Stage 3 Loans as of the end of the relevant year
Cumulative w/off since inception	Cumulative w/off since inception represents the amount written off by our company since inception up to the relevant period
Credit Ratings	Credit Rating represents credit rating issued by a SEBI registered rating agency for various long-term borrowing facilities availed by our Company

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual general meeting
AIFs	Alternative Investments Funds
AS or Accounting Standards	Accounting standards issued by the ICAI
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder, as amended from time to time
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
COVID-19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and a public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting

Term	Description
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investor) Regulations, 2009
GDP	Gross domestic product
Gazette	Gazette of India
GoI / Government / Central Government	Government of India
GST	Goods and Services Tax
HDFC Limited	Housing Development Finance Corporation Limited
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
KPIs	Key performance indicators
MCA	Ministry of Corporate Affairs
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
NA	Not applicable
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NBFC	Non-banking financial company
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India
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 beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012

Term	Description
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
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 VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SEBI RTA Master Circular	SEBI master circular no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Marks Act	Trade Marks Act, 1999, as amended from time to time
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US\$	United States Dollars
U.S. Securities Act	United States Securities Act of 1933
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

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

Certain Conventions

All references to “India” contained in this Updated Draft Red Herring Prospectus-I are to the Republic of India, together with its territories and possessions. All references herein to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references in this Updated Draft Red Herring Prospectus-I to the “U.S.”, “USA” or “United States” are to the United States of America, together with its territories and possessions.

Unless stated otherwise, any references to time in this Updated Draft Red Herring Prospectus-I are to IST. Unless indicated otherwise, all references to a year in this Updated Draft Red Herring Prospectus-I are to a financial year.

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

Financial and other Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Updated Draft Red Herring Prospectus-I have been derived from our Restated financial information of our Company comprising of the restated statement of assets and liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, the basis of preparation, material accounting policies, notes to the restated financial information and statement of adjustments to audited financial statements as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with the requirements of Section 26 of the Companies Act 2013; Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. For further information, see “*Financial Statements*” on page 328.

There are significant differences between Ind AS, U.S. GAAP and IFRS from other accounting principles and standards with which investors may be familiar. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP or any other accounting principles or standards other than Ind AS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Updated Draft Red Herring Prospectus-I. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risk involving differences between Ind AS, U.S. GAAP and IFRS, see “*Risk Factors – We have included certain non-GAAP financial measures and other statistical information related to our operations in this Updated Draft Red Herring Prospectus-I. Such non-GAAP measures and statistical information may vary from standard methodologies that are used across the financial services industry and may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies*” on page 76. It is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Updated Draft Red Herring Prospectus-I will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Updated Draft Red Herring Prospectus-I should, accordingly, be limited.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, accordingly all references to a particular financial year or fiscal, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context otherwise indicates, any percentage amounts (other than the KPIs and other operational metrics), as set forth in “*Risk Factors*”, “*Our Business*”, “*Selected Statistical Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 42, 216, 319 and 439, respectively, and elsewhere in this Updated Draft Red Herring Prospectus-I have been calculated on the basis of the Restated Financial Information of our Company.

Certain figures contained in this Updated Draft Red Herring Prospectus-I, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. 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.

Non-GAAP Financial Measures

In evaluating our business, we consider and use certain non-GAAP financial measures and statistical information, such as Net Worth, net interest income, yield on average gross loan book (%), Average cost of borrowing, spread (%), EBITDA, net interest margin, average AUM, Operating expense to Average Total Assets, Credit cost to Average Total Assets, Cost Income Ratio, Return on Total Assets, Return on Equity, Gross Stage 3 loans, Net Stage 3 loans, Provision coverage ratio, net asset value per equity share, Total Borrowings, total interest-earning assets, average interest-earning assets and return on net worth, which are not required by, or presented in accordance with, Ind AS or any other generally accepted accounting principles. These non-GAAP financial measures and statistical information are not a measurement of our financial performance or liquidity under Ind AS or any other generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or any other generally accepted accounting principles. We compute and disclose such non-GAAP financial measures and statical information 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 companies such as us. These non-GAAP financial measures and other statistical information 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 companies.

Certain of our non-GAAP financial measures and statical information (referred to as KPIs) are disclosed in “*Basis for Offer Price – Key Performance Indicators (KPIs)*” on page 139.

For the risks relating to our non-GAAP financial measures and statical information, see “*Risk Factors – We have included certain non-GAAP financial measures and other statistical information related to our operations in this Updated Draft Red Herring Prospectus-I. Such non-GAAP measures and statistical information may vary from standard methodologies that are used across the financial services industry and may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies*” on page 76.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Updated Draft Red Herring Prospectus-I has been obtained or derived from the report titled “Report on Education Financing Industry in India” dated June 26, 2025 (“**Industry Report**”), which is exclusively prepared for the purpose of the Offer and issued by Redseer Strategy Consultants Private Limited (“**Redseer**”) and is commissioned and paid for by our Company. Redseer was appointed by our Company pursuant to engagement letter dated November 12, 2024. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The Industry Report is available on the website of our Company at <https://credila.com/about/investor-relation.html>.

Redseer is an independent agency which has no relationship with our Company, our Promoter, any of our Directors or Key Managerial Personnel or Senior Management Personnel or the Book Running Lead Managers.

For details of risks in relation to the Industry Report, see “*Risk Factors – We have referred to data derived from an industry report commissioned and paid for by our Company exclusively for the purpose of the Offer.*” on page 77.

Although the industry and market data used in this Updated Draft Red Herring Prospectus-I is reliable, the data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data presented in this Updated Draft Red Herring Prospectus-I is meaningful depends upon 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 42. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section “*Basis for Offer Price*” on page 136 includes information relating to our peer group companies. Such information has been derived from publicly available sources.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “Rs.” or “INR” are to the Indian Rupees, the official currency of the Republic of India;
- “US \$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to the United States Dollars, the official currency of the United States of America;

In this Updated Draft Red Herring Prospectus-I, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in millions. One million represents ‘0.1 crore’, ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Updated Draft Red Herring Prospectus-I expressed in such denominations as provided in their respective sources.

Exchange Rates

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

The exchange rates of certain currencies used in this Updated Draft Red Herring Prospectus-I into Indian Rupees for the periods indicated are provided below:

Currency [#]	As on March 31, 2025 (₹)	As on March 31, 2024 (₹)	As on March 31, 2023 (₹)
1 USD	85.58	83.37	82.22

[#]Source: www.fbil.org.in.

Note: The exchange rates are rounded off to two decimal places and in event of a public holiday on the respective day, the previous Working Day not being a public holiday has been considered

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Updated Draft Red Herring Prospectus – I or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (a) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus – I as “**U.S. QIBs**”); for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus – I as “**QIBs**”) pursuant to Section 4(a)

of the U.S. Securities Act and (b) outside the United States in “offshore transactions” as defined in, and in compliance with, Regulation S under the U.S. Securities Act (“**Regulation S**”) and, in each case, in compliance with the applicable laws of the jurisdiction where those offers and sales are made. See “*Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions*” on page 501.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Notice to Prospective Investors in the European Economic Area

This Updated Draft Red Herring Prospectus – I is not a prospectus for the purposes of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”). This Updated Draft Red Herring Prospectus – I has been prepared on the basis that any offer to the public of Equity Shares in any Member State of the European Economic Area (the “**EEA**”) (each a “**Member State**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus.

Accordingly, any person making or intending to make an offer to the public in any Member State of Equity Shares which are the subject of the Offer contemplated in this Updated Draft Red Herring Prospectus – I may only do so in circumstances in which no obligation arises for our Company, the Selling Shareholders or any of the BRLMs to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. None of our Company, the Selling Shareholders or the BRLMs have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Updated Draft Red Herring Prospectus – I.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

Information to EEA Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) (“**EEA Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each EEA Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Updated Draft Red Herring Prospectus – I is not a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom (the “**UK Prospectus Regulation**”). This Updated Draft Red Herring Prospectus – I has been prepared on the basis that any offer to the public of Equity Shares in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus. Accordingly, any person making or intending to make an offer to the public within the United Kingdom of Equity Shares which are the subject of the Offer contemplated in this Updated Draft Red Herring Prospectus – I should only do so in circumstances in which no obligation arises for our Company, the Selling Shareholders or any of the BRLMs to publish a prospectus pursuant to Section 85 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the “**FSMA**”) in relation to such offer. None of our Company, the Selling Shareholders or the BRLMs have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Updated Draft Red Herring Prospectus – I.

The communication of this Updated Draft Red Herring Prospectus – I and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and this Updated Draft Red Herring Prospectus – I and such other documents and/or materials have not been approved, by an authorized person for the purposes of Section 21 of the FSMA. Accordingly, this Updated Draft Red Herring Prospectus – I and such other documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. This Updated Draft Red Herring Prospectus – I and such other documents and/or materials are for distribution only to persons who (i) have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”)), (ii) fall within Article 49(2)(a) to (d) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are other persons to whom it may otherwise lawfully be communicated or distributed under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). This Updated Draft Red Herring Prospectus – I and any such other documents and/or materials are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Updated Draft Red Herring Prospectus – I and any such other documents and/or materials relate will be engaged in only with relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Updated Draft Red Herring Prospectus – I or any other documents and/or materials relating to the issue of the Equity Shares offered hereby or any of their contents.

For the purposes of this provision, the expression an “**offer to the public**” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

INFORMATION TO UK DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK MiFIR Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law; (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (c) retail clients who do not meet the definition of professional client under (a) or eligible counterparty per (b); and (ii) eligible for distribution through all distribution channels as permitted by the UK MiFIR Productive Governance Rules (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors (for the purposes of the UK MiFIR Product Governance Rules) (“**UK Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without

prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each UK Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

AVAILABLE INFORMATION

Our Company is not currently required to file periodic reports under Section 13 or 15 of the Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”). In order to permit compliance with Rule 144A under the U.S. Securities Act in connection with the resales of the Equity Shares, we agree to furnish upon the request of a shareholder or a prospective purchaser the information required to be delivered under Rule 144A(d)(4) of the U.S. Securities Act if at the time of such request we are not a reporting company under Section 13 or Section 15(d) of the U.S. Exchange Act, or are not exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

FORWARD-LOOKING STATEMENTS

This Updated Draft Red Herring Prospectus-I contains certain “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “seek to”, “will pursue”, or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates 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 our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence.

For a discussion of factors that could cause our actual results to differ from our expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 42, 216 and 439, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Updated Draft Red Herring Prospectus-I and are not a guarantee of future performance. These statements are based on the management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions as well as the forward-looking statements based on them could prove to be inaccurate or incorrect. Neither our Company, the Selling Shareholders, our Promoter, our Directors, the BRLMs, nor any of their respective affiliates shall 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. Further, only statements and undertakings which are confirmed or undertaken by each of the Selling Shareholders, as the case may be, in this Updated Draft Red Herring Prospectus-I shall be deemed to be statements and undertakings made by such Selling Shareholder as of the date of this Updated Draft Red Herring Prospectus-I.

In accordance with requirements of the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments which may have a material effect on our Company from the date of filing of the Red Herring Prospectus with the RoC until the date of Allotment. Each of the Selling Shareholders, severally and not jointly, shall ensure that they will keep our Company and the BRLMs informed of all material developments pertaining to their respective portion of the Offered Shares and themselves, from the date of filing of the Red Herring Prospectus, until the time of grant of listing and trading approval by the Stock Exchanges in relation to the Offer.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Updated Draft Red Herring Prospectus-I and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Updated Draft Red Herring Prospectus-I or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Updated Draft Red Herring Prospectus-I, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Object of the Offer”, “Industry Overview”, “Our Business”, “Outstanding Litigation and Material Developments”, “Offer Procedure”, and “Description of Equity Shares and Terms of Articles of Association” on pages 42, 89, 106, 129, 170, 216, 478, 530, 556, respectively of this Updated Draft Red Herring Prospectus-I.

Summary of primary business of our Company

Founded in 2006, we are an Indian education finance company focused on providing education loans to Indian students pursuing higher education in India and overseas. We primarily provide loans to students pursuing masters’ programs in the science, technology, engineering and mathematics domain, master’s in business administration, undergraduate programs, and students enrolled in diploma programs, professional degrees, certificate courses and executive and technical programs. As of March 31, 2025, all of our loans are retail education loans, and 94.65% and 5.35% of our AUM was attributable to students pursuing higher education overseas and in India, respectively. For the Financial Years 2025, 2024 and 2023, 88.14%, 91.49% and 96.24% of our total income was attributable to interest on education loans, respectively.

Summary of Operational Processes

Customer Onboarding

Customers receive end to end support from our dedicated sales team and customer support teams across the stages of onboarding, documentation, verification, sanction and disbursement. We also conduct or facilitate financial literacy and career guidance sessions with channel partners, regularly measure customer satisfaction and resolve grievances through a multi-level complaint resolution framework.

Credit and Risk Assessment

Our credit appraisal team analyses the student’s academic credentials, future employability, reputation of the chosen university, co-borrower’s financial status, collateral offered (in the case of secured loans), and macro-economic and regulatory conditions of the study destination. We also utilize proprietary data analytics and a personal discussion to complement our appraisal process.

Loan Disbursement

Our loan disbursement process involves recording the borrower’s request, verifying their identity, ensuring KYC compliance, and implementation of repayment mandates. Disbursement approval is based on internal validation and other conditions, which is processed through a maker and checker approval process. For secured loans, in addition to the above checks, legal and technical due diligence is carried out, along with safekeeping of property and other collateral documents.

Loan Recovery

Our in-house collections team manages recovery (including through assistance from third-party agencies, where required) through monitoring, regular borrower engagement via phone, email, SMS, and visits.

Also see “Our Business – Description of our Business” on page 231.

Summary of industry in which our Company operates

The education market in India (both overseas and domestic), valued at approximately ₹19,186 billion in 2024, is projected to grow at a 10–12% CAGR. This growth is led by higher education. The overseas education segment accounts for approximately 18% of the market, valued at ₹3,422 billion in 2024. It is expected to reach ₹7,500 –

₹8,000 billion by 2029, expanding faster at a 17–19% CAGR. Growth drivers include rising aspirations, favourable immigration policies, global talent shortages, and a growing ecosystem of counsellors and financiers.

The US, Canada, the UK, and Australia continue to account for approximately 76% of overseas student flow. Emerging destinations like Germany, Ireland, the UAE, and Singapore are gaining traction. Indian students constituted 26% of international students in 2024.

Overseas education offers substantial academic and career opportunities. However, financing remains a key challenge, alongside rising education costs and intense competition for admissions. Formal loan penetration was approximately 10.5% in 2024. This penetration is expected to increase, with loan disbursements projected to grow at a 20–22% CAGR over the next five years, supported by NBFCs.

NBFCs' share in India's outstanding education loan market has risen sharply from approximately 11% in 2021 to approximately 30% in 2024. It is projected to reach 43–45% by 2029. NBFCs increased their penetration by offering flexible loan products, tech-driven faster disbursals, specialized underwriting models, and wider access to underserved segments.

India has three education-focused NBFCs: Credila Financial Services Limited, Avanse Financial Services Limited, and Auxilo Finserv Private Limited. These are defined as having over 75% of their Assets Under Management (“AUM”) from student education loans (domestic and overseas) and an overall AUM exceeding ₹25 billion as of March 31, 2024.

For further details, please refer to “*Industry Overview*” on page 170.

Registration details of the Company

The registration number and corporate identity number of our Company are 159411 and U67190MH2006PLC159411, respectively.

Our Company is registered as a non-deposit taking middle layer NBFC with the RBI and our Company's registration number is N-13.01857.

Our Company is registered as a corporate agent (composite) and has obtained registration bearing reference CA0093 from the Insurance Regulatory and Development Authority of India.

For further details, please see “*Government and Other Approvals*” on page 485.

Name of the Promoter

Our Promoter is Kopvoorn B.V. For details, see “*Our Promoter and Promoter Group*” on page 314.

Offer size

The following table summarises the details of the Offer:

Offer of [●] equity shares of face value of ₹10 each ⁽¹⁾	Up to [●] equity shares of face value of ₹10 each, aggregating up to ₹50,000.00 million
<i>of which:</i>	
Fresh Issue ⁽¹⁾⁽³⁾	Up to [●] equity shares of face value of ₹10 each, aggregating up to ₹30,000.00 million
Offer for Sale ⁽²⁾	Up to [●] equity shares of face value of ₹10 each, aggregating up to ₹20,000.00 million
Employee Reservation Portion ⁽⁴⁾	Up to [●] equity shares of face value of ₹10 each, aggregating up to ₹[●] million
Net Offer	Up to [●] equity shares of face value of ₹10 each, aggregating up to ₹[●] million

Notes:

¹ The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on December 24, 2024. Our Shareholders authorised the Fresh Issue through a special resolution passed in their EGM held on December 26, 2024.

² Each of the Selling Shareholders has severally and not jointly, authorised their respective participation in the Offer for Sale in relation to their respective portion of Offered Shares. Further, each of the Selling Shareholders, severally and jointly, confirms that it is eligible to participate in the Offer for Sale in accordance with Regulation 8 read with Regulation 59B of the SEBI ICDR Regulations. The Fund

Raising Committee has taken on record the consents for participation in the Offer for Sale by the Selling Shareholders to the extent of their respective portion of the Offered Shares pursuant to its resolutions dated December 26, 2024. Subsequently, the Board has taken on record the revised consent for participation in the Offer for Sale by the HDFC Bank Limited pursuant to its resolution dated June 9, 2025. For further details, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 89 and 495, respectively.

³ A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) Shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

⁴ The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹0.50 million), shall be added to the Net Offer. For further details, see “Offer Structure” on page 525.

The Offer and the Net Offer shall constitute [●]% and [●]% of the post-Offer paid up Equity Share capital of our Company. For further details, please see “The Offer” and “Offer Structure” on pages 89 and 525, respectively.

Object of the Offer

The Net Proceeds are proposed to be utilised towards the following object:

Object		(in ₹ million)
Object		Amount
Augmenting our capital base to meet our Company’s future capital requirements arising out of growth of our business and assets ⁽¹⁾		up to 30,000.00

⁽¹⁾ To be finalised upon determination of the Offer Price and Offer Expenses and shall be updated in the Prospectus prior to filing with the RoC.

For further details see “Object of the Offer” on page 129.

Aggregate pre-Offer shareholding of Promoter, Promoter Group and Selling Shareholders as a percentage of the paid-up equity share capital of our Company:

Sr. No.	Name of Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of paid-up Equity Share capital on a fully diluted basis (%)
(A) Promoter (also a Selling Shareholder)			
1.	Kopvoorn B.V.	139,936,441	63.89
(B) Selling Shareholder			
1.	HDFC Bank Limited	17,899,005	8.17
Total (A+B)		157,835,446	72.06

Aggregate pre-Offer shareholding and post-Offer shareholding of Promoter, Promoter Group and Shareholders as at Allotment:

S. No.	Name of the Shareholder	Pre-Offer shareholding as at the date of this Updated Draft Red Herring Prospectus - I		Post-Offer shareholding as at Allotment [#]			
		Number of Equity Shares	Percentage of paid-up Equity Share capital on a fully diluted basis (%)	At the lower end of the Price Band		At the upper end of the Price Band	
				Number of Equity Shares	Percentage of paid-up Equity Share capital on a fully diluted basis (%)	Number of Equity Shares	Percentage of paid-up Equity Share capital on a fully diluted basis (%)
(A) Promoter (also a Selling Shareholder)							
1.	Kopvoorn B.V.	139,936,441	63.89	●	●	●	●

(B) Shareholders (Excluding Promoter)							
1.	Moss Investments Limited	31,726,838	14.48	[●]	[●]	[●]	[●]
2.	Shinhan Bank	22,010,272	10.05	[●]	[●]	[●]	[●]
3.	HDFC Bank Limited	17,899,005	8.17	[●]	[●]	[●]	[●]
4.	HDFC Life Insurance Company Limited	3,957,887	1.81	[●]	[●]	[●]	[●]
5.	Defati Investments Holding B.V.	1,811,920	0.83	[●]	[●]	[●]	[●]
6.	Infinity Partners	1,445,352*	0.66	[●]	[●]	[●]	[●]

Subject to finalization of Basis of Allotment.

* Includes one Equity Share each held by Arijit Sanyal and Manjeet P Bijlani, who hold such Equity Shares as nominee of Infinity Partners who is the beneficial owner of such Equity Shares.

Summary of Restated Financial Information

Particulars	As at and for the Fiscal ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Equity share capital	2,187.88	1,791.69	1,478.00
Total Equity	86,945.06	50,433.64	24,350.92
Revenue from operations	47,197.31	27,710.39	13,521.74
Total income	47,260.00	27,710.41	13,521.76
Restated net profit after tax	9,899.58	5,288.39	2,759.25
Restated earnings per Equity Share			
Basic (in ₹)	47.80	33.83	20.56
Diluted (in ₹)	47.69	33.81	20.47
Net asset value per Equity Share ⁽¹⁾	397.39	281.49	164.76
Total Borrowings ⁽²⁾	3,88,690.14	260,328.27	136,552.21

Notes:

⁽¹⁾ Net Asset Value per equity share = Net worth at the end of the relevant year, divided by the number of Equity Shares outstanding at the end of the relevant year.

⁽²⁾ Total Borrowings: Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as at the last day of relevant year.

For further details see “Financial Statements”, “Other Financial Information” and “Basis for Offer Price” on pages 328, 438 and 136, respectively.

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

Our Statutory Auditors have not made any qualifications that have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors, our Promoter, Key Managerial Personnel and Senior Management Personnel and our Group Companies as disclosed in the section titled “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations have been set out below:

Category of individuals / entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoter, including outstanding action	Material Civil Litigation	Aggregate amount involved* (₹ in million)
Company						
By our Company	86	Nil	NA	NA	Nil	175.82
Against our Company	Nil	7	Nil	NA	Nil	38.64

Category of individuals / entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoter, including outstanding action	Material Civil Litigation	Aggregate amount involved* (₹ in million)
Directors						
By our Directors	Nil	Nil	NA	NA	Nil	Nil
Against our Directors	2	Nil	Nil	NA	Nil	Not quantifiable
KMPs and SMPs						
By our KMPs and SMPs	Nil	NA	NA	NA	NA	Nil
Against our KMPs and SMPs	Nil	NA	Nil	NA	NA	Nil
Promoter						
By our Promoter	Nil	Nil	NA	NA	Nil	Nil
Against our Promoter	Nil	Nil	Nil	Nil	Nil	Nil

* To the extent quantified

As on the date of this Updated Draft Red Herring Prospectus-I, there is no pending litigation involving our Group Companies which will have a material impact on our Company. For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 478.

Risk Factors

Specific attention of Investors is invited to the section “*Risk Factors*” on page 42. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. We rely on distribution agents, banks and financial institutions and direct channels (including digital leads and referrals) for the origination of our loans. Any disruption, negligence, fraud or inefficiency in the services provided to us could adversely affect our business, results of operations, financial condition and cash flows;
2. 51.54% of our AUM as of March 31, 2025 is focused on higher education in the United States. We are exposed to geopolitical, macroeconomic and visa and immigration policy-related risks in such jurisdiction, which could adversely affect our business, results of operations, financial condition and cash flows;
3. 18.84% and 11.99% of our AUM as of March 31, 2025, through our overseas student loans business, is largely focused on higher education in the United Kingdom and Canada, respectively. This exposes us to geo-political and macro-economic risks in these geographies, which could adversely affect our business, results of operations and cash flows;
4. We require substantial capital and financing for our business and any disruption in the cost and availability of such capital or financing could have an adverse effect on our business, results of operations, financial condition and cash flows; and
5. 81.12% of our AUM as of March 31, 2025 was unsecured and susceptible to certain operational and credit risks, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

For further details on the afore-mentioned risk factors, please see, “*Risk Factors*” on page 42.

Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of Contingent Liabilities of our Company

The details of our contingent liabilities as per Ind AS 37 in the Restated Financial Information is as set forth below:

(₹ in million)		
S. No.	Particulars	As at March 31, 2025
1.	GST liability	15.35*

* During the current period, our Company has received an order from the GST department demanding ₹11.74 million. The Company has filed an appeal with the Appellate Authority against the order by paying GST of ₹0.57 million and is in the process of filing an appeal against the third order. During the Financial Year 2024, our Company received an order from the GST department demanding ₹3.61 million for the Financial Year 2018. We have filed an appeal with the appellate authority against the order by paying GST of ₹0.17 million. As at March 31, 2024, we had contingent liabilities of ₹3.61 million and as at March 31, 2023, we had no contingent liabilities.

For further details, see “Financial Statements – Restated Financial Information – Note 43 – Contingent Liabilities & Capital Commitments” on page 435.

Summary of Related Party Transactions

A summary of related party transactions entered into by our Company with related parties for Fiscals 2025, 2024 and 2023, as per Ind AS 24 – Related Party Disclosures and as reported in the Restated Financial Information is set forth below:

(₹ in million)					
Nature of Transaction	Related Party	Nature of Relationship	Fiscal ended March 31, 2025	Fiscal ended March 31, 2024	Fiscal ended March 31, 2023
Director sitting fees	Biswamohan Mahapatra	Independent Director ^s	-	3.00	2.60
Commission to Director	Biswamohan Mahapatra	Independent Director ^s	1.50	-	1.00
Bank Charges	HDFC Bank Limited	Associate of erstwhile holding company*	-	0.39	0.90
Commission received for sourcing fixed deposits	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company ^{&}	-	1.56	7.79
Commission paid on sourcing of education loans	HDFC Bank Limited	Associate of erstwhile holding company*	-	364.10	196.75
Forex Transactions	HDFC Bank Limited	Associate of erstwhile holding company*	-	-	242.37
Interest on term loans	HDFC Bank Limited	Erstwhile holding company [%]	-	1,668.80	-
License fees for use of corporate logo	HDFC Bank Limited	Erstwhile holding company [%]	-	24.77	-
Loan processing fees	HDFC Bank Limited	Erstwhile holding company [%]	-	196.00	-
Reimbursement of expenses	HDFC Bank Limited	Erstwhile holding company [%]	-	27.31	-
Interest income on deposits	HDFC Bank Limited	Associate of erstwhile holding company*	-	69.47	3.01
Reimbursement of GST expenses on brand usage	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company ^{&}	-	1.64	9.34
Reimbursement of other expenses	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company ^{&}	-	0.07	0.05
Staff expenses of employees on deputation	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company ^{&}	-	0.23	14.48
Rent expenses	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company ^{&}	-	37.81	24.65
Technology support charges	HDFC Bank Limited	Erstwhile holding company ^{&}	-	2.53	2.62

Nature of Transaction	Related Party	Nature of Relationship	Fiscal ended March 31, 2025	Fiscal ended March 31, 2024	Fiscal ended March 31, 2023
	(Erstwhile HDFC Limited)				
Equity infusion	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company ^{&}	-	7,000.00	8,000.00
Cyber security insurance premium	HDFC ERGO General Insurance Limited	Fellow subsidiary [#]	-	-	2.50
Directors' liability insurance premium	HDFC ERGO General Insurance Limited	Fellow subsidiary [#]	-	0.81	0.11
Employee's health insurance premium	HDFC ERGO General Insurance Limited	Fellow subsidiary [#]	-	6.49	3.50
Commission received for sourcing insurance	HDFC ERGO General Insurance Limited	Fellow subsidiary [#]	-	3.76	-
Employee's group term insurance premium	HDFC Life Insurance Company Limited	Fellow subsidiary [#]	-	0.24	1.62
Contribution to group gratuity policy	HDFC Life Insurance Company Limited	Fellow subsidiary [#]	-	4.50	6.29
Commission received for sourcing insurance	HDFC Life Insurance Company Limited	Fellow subsidiary [#]	-	414.33	31.21
Commission paid on sourcing of education loans	HDFC Sales Private Limited	Fellow subsidiary [#]	-	31.86	33.67
Reimbursement of stamp duty paid on shareholders' agreement dated June 19, 2023 and Investment Agreement	Kopvoorn B.V.	Holding company [^]	-	39.53	-
Director sitting fees	Madhumita Ganguli	Non-Executive Director ^{\$}	-	2.10	1.40
Director sitting fees	Rajesh Gupta	Independent director ^{\$}	-	2.10	1.10
Commission to Director	Rajesh Gupta	Independent director ^{\$}	1.50	-	1.00
Director sitting fees	Rajnish Kumar	Non-Executive Director [@]	1.40	0.10	-
Director sitting fees	Satish Kumar Pillai	Non-Executive Director ⁺	1.00	-	-
Director sitting fees	Subodh Salunke	Non-Executive Vice Chairman ⁼	-	-	0.50
Director sitting fees	Sunil Shah	Independent Director ^{\$}	-	2.80	2.10
Commission to Director	Sunil Shah	Independent Director ^{\$}	1.50	-	1.00
Director sitting fees	V S Rangan	Chairman ^{\$} ; Non-Executive Director [@]	-	1.00	3.00

Nature of Transaction	Related Party	Nature of Relationship	Fiscal ended March 31, 2025	Fiscal ended March 31, 2024	Fiscal ended March 31, 2023
Salary including perquisites and allowances ⁽¹⁾	Akanksha Kandoi	Company secretary (up to June 24, 2024)	3.90	10.44	8.28
Salary including perquisites and allowances ⁽¹⁾	Karishma Jhaveri	Company Secretary (w.e.f. September 17, 2024)	4.75	-	-
Salary including perquisites and allowances ⁽¹⁾	Arijit Sanyal	Managing Director and Chief Executive Officer	115.32	217.38	68.83
Salary including perquisites and allowances ⁽¹⁾	Manjeet P Bijlani	Chief Financial Officer	24.29	27.21	20.54
Director sitting fees	Abhijit Sen	Independent Director@	2.40	0.10	-
Director sitting fees	Anuranjita Kumar	Independent Director@	1.80	0.10	-
Director sitting fees	Bharat Shah	Independent Director@	1.60	0.10	-
Director sitting fees	Damodarannair Sundaram	Chairman and Independent Director@	2.50	0.10	-
Equity infusion	Kopvoorn B.V.	Holding company^	7,442.16	10,429.00	-
Total			7,605.62	20,591.73	8,692.21

* The entity has been an associate of our erstwhile holding company, HDFC Limited, until June 30, 2023.

The entity has been a fellow subsidiary of our Company until March 18, 2024, by virtue of having common holding company, HDFC Bank Limited.

& HDFC Limited was our erstwhile holding company until June 30, 2023. Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023 and the Equity Shares held by HDFC Limited were transferred to and vested with HDFC Bank Limited.

% HDFC Bank was our erstwhile holding company with effect from July 1, 2023 until March 19, 2024 when HDFC Bank sold its 90.01% stake to an investor consortium of Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.

^ Entity has been considered as the holding company with effect from March 19, 2024.

§ The person has ceased to be a Director with effect from March 20, 2024.

@ The person has been a Director with effect from March 20, 2024.

+ The person has been a Director with effect from June 28, 2024.

= The person has ceased to be a Director with effect from June 28, 2022.

⁽¹⁾ Salary includes ESOP cost which is amortised as per IND AS 102.

For details of the related party transactions and as reported in the Restated Financial Information, see “Financial Statements”, on page 328.

Financing Arrangements

There have been no financing arrangements whereby our Promoter, member of our Promoter Group, directors of our Promoter, our Directors or any of their relatives (as defined under Companies Act) have financed the purchase by any other person of securities of our Company other than in normal course of the business of the relevant financing entity during the period of three years immediately preceding the date of this Updated Draft Red Herring Prospectus-I.

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

The weighted average price at which specified securities were acquired by our Promoter and the Selling Shareholders, in the preceding one year from the date of this Updated Draft Red Herring Prospectus-I:

Sr. No.	Name of the entity	Number of equity shares of face value of ₹10 acquired in the one year preceding the date of the UDRHP-I	Weighted average price per Equity Share (in ₹)*
Promoter (also a Selling Shareholder)			
1.	Kopvoorn B.V.	10,920,265	681.50
Selling Shareholder			
2.	HDFC Bank Limited	NIL	NA

* As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

Average Cost of Acquisition of Equity Shares held by our Promoter and the Selling Shareholders

The average cost of acquisition per Equity Share for the Promoter and the Selling Shareholders as at the date of this Updated Draft Red Herring Prospectus-I is set forth below:

S. No.	Name of the entity	Number of Equity Shares of face value of ₹ 10 held as on the date of this Updated Draft Red Herring Prospectus-I (on a fully diluted basis)	Average cost of acquisition per Equity Share of face value ₹ 10 each (in ₹)*
Promoter (also a Selling Shareholder)			
1.	Kopvoorn B.V.	139,936,441	681.50
Selling Shareholder			
2.	HDFC Bank Limited^	17,899,005	154.03

* As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

^ Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023 and the Equity Shares held by HDFC Limited were transferred to and vested with HDFC Bank Limited.

Weighted average cost of acquisition of Equity Shares transacted in the last one year, eighteen months and three years preceding the date of this Updated Draft Red Herring Prospectus-I

The details of weighted average cost of acquisition of Equity Shares transacted in the last one year, eighteen months, and three years preceding the date of this Updated Draft Red Herring Prospectus - I by our Promoter, member of our Promoter Group, Selling Shareholders and shareholders with the right to nominate directors or other rights is as follows:

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last one year	681.50	[•]	681.50 – 681.50
Last eighteen months	681.50	[•]	681.50 – 681.50
Last three years	668.71	[•]	487.15 – 681.50

As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

*To be updated upon finalisation of the Price Band.

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Updated Draft Red Herring Prospectus-I by the Promoter, member of Promoter Group, Selling Shareholders and the Shareholders with rights to nominate one or more directors or other rights

Except as disclosed below, our Promoter, member of the Promoter Group, the Selling Shareholders, and Shareholder(s) with nominee director rights or other rights have not acquired any Equity Shares in the last three years preceding the date of this Updated Draft Red Herring Prospectus-I:

Name of the shareholder/acquirer	Date of acquisition of equity shares	Number of equity shares acquired	Nature of transaction	Face value per equity share	Acquisition price per equity share (in ₹)*
Promoter (also a Selling Shareholder)					
Kopvoorn B.V.	March 19, 2024	112,138,344	Transfer of Equity Shares from HDFC Bank Limited	10.00	681.50
	March 19, 2024	35,000	Transfer of Equity Shares from Rajashree Pankaj Pund	10.00	681.50
		150,000	Transfer of Equity Shares from Sebastian Camilo Fernandez	10.00	681.50
		85,000	Transfer of Equity Shares from Laxmikant Tople	10.00	681.50
		30,000	Transfer of Equity Shares from Balasaheb Deshmukh	10.00	681.50
		225,000	Transfer of Equity Shares from Hitesh Parashar	10.00	681.50
		30,000	Transfer of Equity Shares from Rakesh Bhajanlal Ahuja	10.00	681.50
		60,000	Transfer of Equity Shares from Akanksha Kandoi	10.00	681.50
		30,000	Transfer of Equity Shares from Satendra Singh	10.00	681.50
		200,000	Transfer of Equity Shares from Manjeet P Bijlani	10.00	681.50
		30,000	Transfer of Equity Shares from Amit Ashish	10.00	681.50
		85,000	Transfer of Equity Shares from Natasha Raj	10.00	681.50
		50,000	Transfer of Equity Shares from Aastha Sachdeva	10.00	681.50
		30,000	Transfer of Equity Shares from Ravi Krishan Kumar Malhotra	10.00	681.50
		45,000	Transfer of Equity Shares from Zarir F Khambatta	10.00	681.50
		35,000	Transfer of Equity Shares from Soumya Rajan	10.00	681.50
		35,000	Transfer of Equity Shares from Prateek Malik	10.00	681.50
		40,000	Transfer of Equity Shares from Supriya Bhasin	10.00	681.50
	March 20, 2024	210,000	Transfer of Equity Shares from	10.00	681.50

Name of the shareholder/acquirer	Date of acquisition of equity shares	Number of equity shares acquired	Nature of transaction	Face value per equity share	Acquisition price per equity share (in ₹)*
			Shashank Shekhar Agrawal		
		50,000	Transfer of Equity Shares from Narendra Singh	10.00	681.50
		35,000	Transfer of Equity Shares from Shweta Jain	10.00	681.50
		85,000	Transfer of Equity Shares from Nishita Mazumdar	10.00	681.50
	March 20, 2024	15,302,832	Preferential allotment	10.00	681.50
	July 24, 2024	10,920,265	Rights issue	10.00	681.50
<i>Selling Shareholder</i>					
HDFC Bank Limited ^{#^}	November 14, 2022	6,158,267	Rights issue	10.00	487.15
	March 29, 2023	9,843,232	Rights issue	10.00	507.96
	June 29, 2023	10,271,460	Rights issue	10.00	681.50
<i>Shareholders with right to nominate directors or other rights</i>					
Moss Investments Limited	March 19, 2024	25,781,454	Transfer of Equity Shares from HDFC Bank Limited	10.00	681.50
	March 20, 2024	3,469,507	Preferential allotment	10.00	681.50
	July 24, 2024	2,475,877	Rights issue	10.00	681.50
Defati Investments Holding B.V.	March 19, 2024	1,472,379	Transfer of Equity Shares from HDFC Bank Limited	10.00	681.50
	March 20, 2024	198,144	Preferential allotment	10.00	681.50
	July 24, 2024	141,397	Rights issue	10.00	681.50
Infinity Partners	March 19, 2024	780,003	Transfer of Equity Shares from HDFC Bank Limited	10.00	681.50
	March 20, 2024	17,500	Transfer of Equity Shares from Balkrishna Patil	10.00	681.50
		17,500	Transfer of Equity Shares from Senthil Kumar	10.00	681.50
		20,000	Transfer of Equity Shares from Amit Bihani	10.00	681.50
		22,000	Transfer of Equity Shares from Manasi Kapil Panse	10.00	681.50
		25,000	Transfer of Equity Shares from Mahendra Deorao Wawalkar	10.00	681.50
		27,500	Transfer of Equity Shares from YLN Prasad Reddy	10.00	681.50
		27,500	Transfer of Equity Shares from Moorthy Raju	10.00	681.50

Name of the shareholder/acquirer	Date of acquisition of equity shares	Number of equity shares acquired	Nature of transaction	Face value per equity share	Acquisition price per equity share (in ₹)*
		25,000	Transfer of Equity Shares from Pavan Kumar Yadav	10.00	681.50
		22,500	Transfer of Equity Shares from Ashwin Siddhaye	10.00	681.50
		22,000	Transfer of Equity Shares from Dattatraya Shrimant Patil	10.00	681.50
		30,000	Transfer of Equity Shares from Adarsh W R	10.00	681.50
		20,000	Transfer of Equity Shares from Prajval Jude Luis	10.00	681.50
		25,000	Transfer of Equity Shares from Navjot Singh Maini	10.00	681.50
		15,000	Transfer of Equity Shares from Vaijayanti Albal Sharma	10.00	681.50
		20,000	Transfer of Equity Shares from Sayantan Roy	10.00	681.50
		25,000	Transfer of Equity Shares from Tushar Prabhakar	10.00	681.50
		18,000	Transfer of Equity Shares from MVSK Chakravarthy	10.00	681.50
		15,000	Transfer of Equity Shares from Dhawal Rathod	10.00	681.50
	March 20, 2024	158,057	Preferential allotment	10.00	681.50
	April 3, 2024	(1)	Transfer of Equity Shares to Arijit Sanyal	10.00	Nil
	April 3, 2024	(1)	Transfer of Equity Shares to Manjeet P Bijlani	10.00	Nil
	July 24, 2024	112,792	Rights issue	10.00	681.50
Shinhan Bank	June 28, 2024	22,010,272	Preferential allotment	10.00	681.50
HDFC Life Insurance Company Limited	October 14, 2024	3,957,887	Preferential allotment	10.00	681.50

* As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

Also a Shareholder with right to nominate director or other rights.

^ Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023 and the Equity Shares held by HDFC Limited were transferred to and vested with HDFC Bank Limited.

Details of Pre-IPO Placement

A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a

price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) Shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

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

Our Company has not issued any equity shares for consideration other than cash in the one year preceding the date of this Updated Draft Red Herring Prospectus-I.

Split / Consolidation of equity shares of our Company 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 Updated Draft Red Herring Prospectus-I.

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

Our Company has not sought any exemption from SEBI from complying with any provisions of securities laws, as on the date of this Updated Draft Red Herring Prospectus-I.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Updated Draft Red Herring Prospectus-I, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares and the industry in which we currently operate or propose to operate in India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our business and operations, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Selected Statistical Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Key Regulations and Policies in India” and “Government and Other Approvals” on pages 170, 216, 319, 439, 251 and 485, respectively, as well as the financial, statistical and other information contained in this Updated Draft Red Herring Prospectus-I.

In making an investment decision, prospective investors must rely on their own examination of our business and operations and the terms of the Offer, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “the Company” or “our Company” refers to Credila Financial Services Limited.

*Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled “Report on Education Financing Industry in India” dated June 26, 2025 (the “**Industry Report**”), prepared and released by Redseer Strategy Consultants Private Limited (“**RedSeer**”), which has been paid for and commissioned by our Company pursuant to an engagement letter dated November 12, 2024, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer. The Industry Report will be made available on the website of our Company at <https://credila.com/about/investor-relation.html> in accordance with applicable laws. The data included herein includes excerpts from the Industry Report and may have been re-ordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant financial year. For further comments, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” and “Risk Factors — Internal Risk Factors — We have referred to data derived from an industry report commissioned and paid for by our Company exclusively for the purpose of the Offer” on pages 23 and 77, respectively.*

This Updated Draft Red Herring Prospectus – I also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Updated Draft Red Herring Prospectus – I. For further details, see “Forward-Looking Statements” on page 28.

INTERNAL RISK FACTORS

- 1. We rely on distribution agents, banks and financial institutions and direct channels (including digital leads and referrals) for the origination of our loans. Any disruption, negligence, fraud or inefficiency in the services provided to us could adversely affect our business, results of operations, financial condition and cash flows.***

We have a pan-India presence with a large and omni channel distribution network, enabling us to serve a large and diverse pool of borrowers for education loans. Our distribution network comprises distribution agents, banks and financial institutions and direct channels (including digital leads and referrals). As of March 31, 2025, we have a physical presence in 41 cities with a network comprising eight regional offices in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, Ahmedabad and Kolkata, across 32 branches in

India and 861 full-time sales employees (on-roll and off-roll).

We have sourcing arrangements with banks and leverage their widespread network of branches and customer base to generate leads for us. Furthermore, as of March 31, 2025, we have a pan-India network of 1,672 distribution agents who augment our existing branch network and provide guidance and assistance to students throughout their overseas education journey. Also see “Our Business – Description of our Business – Sourcing, Distribution and Marketing” on page 232.

The table below sets out details of disbursements from distribution agents (including counsellors and aggregators, DSAs and banks and financial institutions) and direct channels (including digital leads and referrals), for the financial years indicated:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in million, except percentages)					
Counsellors and Aggregators ⁽¹⁾	75,648.12	49.41	63,403.88	45.00	28,795.76	36.03
DSAs ⁽²⁾	21,345.61	13.94	14,884.96	10.57	5,669.06	7.09
Direct (In-house / referral)	20,705.25	13.53	28,365.71	20.13	25,498.54	31.91
Banks / Financial Institutions	35,389.61	23.12	34,237.60	24.30	19,954.05	24.97
Total	153,088.59	100.00	140,892.15	100.00	79,917.41	100.00

(1) Counsellors and Aggregators includes education consultants and companies specializing in facilitating student applications and aggregating education loan options.

(2) DSAs includes entities handling multiple financial products, including education loans, across various financial institutions.

Set out below are details of the contributions of our top five and top ten most significant channel partners to our disbursements for the financial years indicated:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in million, except percentages)					
Five most significant channel partners	55,704.58	36.39	50,191.82	35.62	26,525.70	33.19
Ten most significant channel partners	69,436.08	45.36	63,720.84	45.23	32,342.05	40.47

Of these channel partners, we are significantly dependent on HDFC Bank, who was our largest channel partner during the last three Financial Years. The table below sets out the contribution of HDFC Bank Limited to our disbursements during the Financial Years 2025, 2024 and 2023:

Particulars	Financial Year		
	2025	2024	2023
Contribution of HDFC Bank to our disbursements (₹ in million)	32,198.86	30,187.99	16,265.38
Contribution of HDFC Bank to our disbursements as a % of total disbursements (%)	21.03	21.43	20.35

We generally offer commissions ranging between 0.75% to 1.50% of the disbursed loan amount to our channel partners. Further, our arrangements with our distribution agents, banks and financial institutions are on a non-exclusive basis. This exposes us to the risk that these parties may work for our competitors, which may adversely affect our ability to increase our borrower base. While we have not had any major instances of disruptions in relationship with our distribution agents, banks and financial institutions, or instances of fraud, negligence or inefficiency in the services provided by our distribution agents, banks and financial institutions during the last three Financial Years, we cannot assure you that we will be successful in continuing to receive uninterrupted services from distribution agents and banks and financial institutions.

Also see “— We depend on the accuracy and completeness of information provided by our borrowers. Any misleading information provided to us by our borrowers or attempt to defraud us may affect our assessment of their credit worthiness, which could have an adverse effect on our business, results of operations, financial condition and cash flows. We have encountered an incident of fraud and misrepresentation by borrowers during the Financial Year 2025 and recognized a write-off of ₹44.80 million and a provision of ₹169.00 million in our statement of profit and loss in this regard.” on page 49. Any breakdown in our relationship or disruption, negligence, fraud or inefficiency in the services provided to us could adversely affect our business, results of operations, financial condition and cash flows.

2. ***51.54% of our AUM as of March 31, 2025 is focused on higher education in the United States. We are exposed to geopolitical, macroeconomic and visa and immigration policy-related risks in such jurisdiction, which could adversely affect our business, results of operations, financial condition and cash flows***

Our overseas student loans business is largely focused on higher education in the United States, which constituted 51.54% of our AUM as of March 31, 2025. The table below sets out the AUM of our student loans attributable to borrowers studying in the United States, as of March 31, 2025, March 31, 2024 and March 31, 2023:

Geography	As of March 31,					
	2025		2024		2023	
	Amount	% contribution to AUM	Amount	% contribution to AUM	Amount	% contribution to AUM
	(₹ in million except percentages)					
United States	215,480.68	51.54	157,371.86	55.83	80,813.69	52.83

As a result of our relative concentration in the United States, any significant social, political, economic or regulatory disruptions (including any change in foreign policy, student visa regimes, diplomatic relations or employment visa norms), natural calamities, civil disruptions or change in governments, or India’s relations with the United States, could disrupt our business and operations, require us to incur significant expenditure and change our business strategies. For instance, it has been reported that the current U.S. administration has imposed curbs on study visas for foreign students by taking several measures, such as halting the scheduling of appointments for new student visas, increasing scrutiny of visa applicants and revoking a number of existing student visas. Government funding for certain universities has also been frozen. If any such restrictions were to continue to be imposed on international students wishing to study in the United States, or if there were to be adverse changes to the OPT programs or material reductions in H1-B or other forms of work visas in the United States, our overseas student loans business could be adversely affected. The continuation of the current policy environment or the escalation of anti-immigration actions in the United States could potentially discourage students from studying in such country, which could consequently have an adverse effect on our business. In addition, ongoing geopolitical and macroeconomic developments (such as changing policy decisions being announced by the Trump administration and recent downgrades of U.S. sovereign credit ratings) may adversely affect the U.S. economy and potentially adversely affect employment prospects for graduating students (and in particular, international students). Our borrowers pursuing higher education in the United States may face challenges in securing employment following the completion of their studies, which could adversely affect our business and asset quality. The occurrence of, or our inability to effectively respond to, any such developments could lead to an increase in defaults and deterioration in lending and asset quality, which could adversely affect our business, results of operations, financial condition and cash flows.

3. ***18.84% and 11.99% of our AUM as of March 31, 2025, through our overseas student loans business, is largely focused on higher education in the United Kingdom and Canada, respectively. This exposes us to geo-political and macro-economic risks in these geographies, which could adversely affect our business, results of operations and cash flows.***

Our overseas student loans business is largely focused on higher education in the United Kingdom and Canada, which constituted 18.84% and 11.99% of our AUM as of March 31, 2025, respectively.

The table below sets out the AUM of our student loans on a country-wise basis, as of March 31, 2025, March 31, 2024 and March 31, 2023:

Geography	As of March 31,					
	2025		2024		2023	
	Amount	% contribution to AUM	Amount	% contribution to AUM	Amount	% contribution to AUM
	(₹ in million except percentages)					
United States	215,480.68	51.54	157,371.86	55.83	80,813.69	52.83
United Kingdom	78,767.28	18.84	37,534.05	13.32	15,715.99	10.27
Canada	50,111.89	11.99	43,385.60	15.39	30,550.04	19.97
India	22,388.68	5.35	16,347.59	5.80	11,102.64	7.26
Others [#]	51,355.96	12.28	27,232.88	9.66	14,794.24	9.67
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

[#] Others includes Australia, Germany, Ireland and New Zealand, among others (and excludes the United States, United Kingdom, Canada and India).

As a result of our relative concentration in these countries, any significant social, political, economic or regulatory disruptions (including any change in foreign policy, student visa regimes, diplomatic relations or employment visa norms), natural calamities, civil disruptions or change in governments, or India's relations with these countries, could disrupt our business and operations, require us to incur significant expenditure and change our business strategies. The escalation of anti-immigration actions in countries such as the United States and the United Kingdom could potentially discourage students from studying in such countries, which could consequently have an adverse effect on our business. In addition, the deterioration of India's relations with countries such as Canada could adversely affect the ability of Indian students to be accepted to universities in such countries and our overseas student loans business could be adversely affected. The occurrence of, or our inability to effectively respond to, any such developments could lead to an increase in defaults and deterioration in lending quality, which could adversely affect our business, results of operations and cash flows.

4. We require substantial capital and financing for our business and any disruption in the cost and availability of such capital or financing could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business depends on our ability to raise equity and debt capital and financing from external sources on acceptable terms and in a timely manner. Our financing requirements have historically been met from several sources, including through equity fund-raises, proceeds of term loans, non-convertible debentures, external commercial borrowings and commercial paper. We have active lending relationships across banks and financial institutions, including public sector banks, private sector banks and foreign banks, and the number of our lending relationships has increased from 19 as of March 31, 2023 to 29 as of March 31, 2025, reducing our dependence on any single lender or market. We have also diversified our liability mix, with 18.40% of our total borrowings as of March 31, 2025 being raised through borrowings outside India, from nil as of March 31, 2023. While we may hedge currency exposure through derivative instruments or natural hedging via foreign-currency-linked assets, any mismatch or inadequacy in our hedging strategy may result in forex losses, adversely affecting our results of operations and capital adequacy.

The table below sets out details of our total borrowings as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings
Non-convertible Debentures - secured	39,988.80	10.29	30,631.04	11.77	32,541.84	23.83
Commercial Paper – unsecured	19,374.24	4.98	11,376.36	4.37	2,698.23	1.98
External Commercial Borrowing	71,503.80	18.40	8,229.64	3.16	0.00	0.00
Term Loans from Banks	233,727.00	60.13	184,796.11	70.99	84,629.84	61.97
Term Loans from other parties	3,858.53	0.99	4,456.75	1.71	3,997.52	2.93
Loans repayable on demand from Banks	4,756.00	1.23	4,490.00	1.72	0.00	0.00
Subordinated	15,481.77	3.98	16,348.37	6.28	12,684.78	9.29

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings
Liabilities						
Total Borrowings	388,690.14	100.00	260,328.27	100.00	136,552.21	100.00
Cost of Quarterly Average Borrowings (%)⁽¹⁾	—	8.85	—	8.63	—	7.81

(1) Cost of Quarterly Average Borrowings is the ratio of finance cost to Average Total Borrowings for the relevant year. Quarterly Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant period and at end of each of the quarters during the relevant year.

For further details, see also, “Selected Statistical Information – Sources of Borrowing” and “Our Business – Our Strengths – Well-funded and diversified liability profile with conservative and prudent approach to asset-liability management” on pages 322 and 226, respectively.

The table below sets forth a bank-wise breakdown of our borrowings in terms of term loans from banks, as of the dates indicated:

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in millions)	% of total borrowings	Amount (₹ in millions)	% of total borrowings	Amount (₹ in millions)	% of total borrowings
Largest bank	29,916.40	7.70%	33,816.73	12.99%	14,878.58	10.90%
Second largest bank	23,074.57	5.94%	19,808.19	7.61%	11,419.75	8.36%
Third largest bank	21,405.70	5.51%	19,459.27	7.47%	10,460.53	7.66%
Fourth largest bank	20,751.86	5.34%	14,410.63	5.54%	6,994.49	5.12%
Fifth largest bank	18,775.46	4.83%	9,749.33	3.75%	6,644.70	4.87%
Other banks	119,803.01	30.81%	87,551.96	33.63%	34,231.79	25.07%
Total bank borrowings	233,727.00	60.13%	184,796.11	70.99%	84,629.84	61.98%

Our non-convertible debentures and commercial paper are listed on the debt segment of the BSE. Any downgrade in our credit ratings could increase our cost of borrowing including interest rates for refinancing our borrowings. For further details, see also “— We have experienced ratings downgrades in the past and any future downgrades in our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis” on page 51.

Our subordinated liabilities include perpetual debt instruments and Tier-II subordinated debt (in the form of listed non-convertible debentures) which comply with the terms of issue specified by the Scale Based Regulations and which are eligible for inclusion in our Tier I and Tier II capital. All of our subordinated liabilities are currently listed on the wholesale debt market segment of the BSE. We issue these instruments in the ordinary course of business to a range of investors, such as insurance companies and pension funds, with the objective of achieving diversification in supplementing our capital adequacy.

Our ability to raise funds in a timely manner on acceptable terms, or at all, depends on several factors including, our current and future results of operations, our risk management policies, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India, including the monetary policy prescribed by the Reserve Bank of India (“RBI”), and developments in the international markets affecting the Indian economy, among others. While we have not faced any instances of delays in repayment of our outstanding borrowings in the last three Financial Years, we cannot assure you that we will continue to generate sufficient cash flows to enable us to service our existing and future borrowings or to fund our other liquidity needs. Any inability to raise capital could have an adverse effect on our business, results of operations, financial condition and cash flows.

For further details on the aggregate borrowings of our Company along with principal terms and covenants of our outstanding borrowings, see “Financial Indebtedness” on page 471.

5. **81.12% of our AUM as of March 31, 2025 was unsecured and susceptible to certain operational and credit risks, which may have an adverse effect on our business, results of operations, financial condition and cash flows.**

A substantial portion of the loans we provide to students pursuing higher education overseas and in India are unsecured, exposing us to the risk of non-recovery of our loans. While unsecured loans are primarily subject to credit risk due to the absence of collateral, we manage such risk through our underwriting processes, early warning signals model, and monitoring frameworks.

The table below sets out details of our unsecured and secured AUM as of the dates indicated:

Geography	As of March 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
	(₹ in million except percentages)					
Secured	78,920.88	18.88	58,797.44	20.86	41,052.06	26.84
Unsecured	339,183.61	81.12	223,074.54	79.14	111,924.54	73.16
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

We maintain regular contact with our borrowers and co-borrowers to monitor our loans effectively, track the borrower's academic progress and assess the borrower's financial commitments. Despite monitoring, our borrowers may default in their repayment obligations due to several reasons including the inability to gain employment following the completion of the financed study course, loss of employment or insolvency of the co-borrower, lack of liquidity, or personal emergencies such as the death of an income-generating family member, among others. If our student loans were to default at rates much higher than anticipated or earlier than anticipated, our business, results of operations, financial condition and cash flows could be adversely affected.

6. **Our cumulative write-offs from inception until March 31, 2025 aggregated to ₹96.95 million and as of such date, we maintained a provision coverage ratio of 65.01%, Gross Stage 3 Loans of 0.19% and Net Stage 3 Loans of 0.07%. Any deterioration in the credit quality of our loans could adversely affect our business, results of operations, financial condition and cash flows.**

Delinquencies are an important indicator of the credit quality of our loan book, and several factors can impact borrower delinquencies such as economic conditions (including inflationary or recessionary environments, pandemics, visa and immigration regulation changes and personal circumstances, among others). Our ability to manage the credit quality of our loans, which we measure through delinquency categories, including Stage 3 loans, non-performing assets ("NPAs") and overdue loans, is a key driver of our results of operations. We classify NPAs in accordance with the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023 ("NBFC Scale Based Regulations") and the requirements of Ind – AS 109 – "Financial Instruments". Defaults by our borrowers for a period of more than 90 days may result in such loans being classified as NPAs. Further, our Company also recognizes incipient stress in loan accounts, immediately on default by classifying such assets as 'SMA-0' where there has been a default in payment of principal or interest of up to 30 days; as 'SMA-1' where there has been a default in payment of principal or interest of more than 30 days and up to 60 days; and as 'SMA-2' where there has been a default in payment of principal or interest of more than 60 days and up to 90 days in accordance with the NBFC Scale Based Regulations read with Reserve Bank of India's Prudential Framework for Resolution of Stressed Assets dated June 7, 2019.

The following table sets out the breakdown of our loan portfolio by asset classification (in accordance with applicable RBI guidelines) as of the dates indicated:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in million)		
1. Standard – No overdue	415,179.28	281,340.61	152,196.63
2. Standard Restructured	-	-	125.10
3. SMA 0	718.98	229.53	446.19
4. SMA 1	371.18	65.57	18.85
5. SMA 2	134.46	21.63	4.78
6. NPA	692.49	214.64	185.06

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in million)		
7. Total Gross Loans	417,096.39	281,871.98	152,976.60

The following table sets out the breakdown of our loan portfolio by stage of loan as of and for the years indicated:

Particulars	As of and for the Financial Year		
	2025	2024	2023
Gross Loans			
1. Stage 1 (₹ in million)	413,966.96	280,627.88	152,132.65
2. Stage 2 (₹ in million)	2,330.67	1,029.46	589.92
3. Stage 3 (₹ in million)	798.76	214.64	254.03
4. Total Gross Loans (4=1+2+3) (₹ in million)	417,096.39	281,871.98	152,976.60
Impairment loss allowance			
5. Stage 1 (₹ in million)	1,271.31	656.41	345.81
6. Stage 2 (₹ in million)	612.71	266.62	139.15
7. Stage 3 (₹ in million)	519.29	116.79	102.63
8. Total impairment loss allowance (8=5+6+7) (₹ in million)	2,403.31	1,039.82	587.59
Net Loans			
9. Stage 1 (9=1-5) (₹ in million)	412,695.65	279,971.47	151,786.84
10. Stage 2 (10=2-6) (₹ in million)	1,717.96	762.84	450.77
11. Stage 3 (11=3-7) (₹ in million)	279.47	97.85	151.40
12. Total Net Loans (12=4-8) (₹ in million)	414,693.08	280,832.16	152,389.01
13. Gross Stage 1 Loans ⁽¹⁾ (%)	99.25	99.56	99.45
14. Gross Stage 2 Loans ⁽²⁾ (%)	0.56	0.37	0.39
15. Gross Stage 3 Loans ⁽³⁾ (%)	0.19	0.08	0.17
16. Net Stage 3 Loans ⁽⁴⁾ (%)	0.07	0.03	0.10
17. Provision Coverage Ratio ⁽⁵⁾	65.01	54.41	40.40
18. Gross Non Performing Assets – EMI Portfolio ⁽⁶⁾ (₹ in million)	418.83	207.81	184.29
19. Gross Non Performing Assets – EMI Portfolio ⁽⁶⁾ (%)	0.59	0.56	0.66
20. Cumulative write off since inception till date (₹ in million)	96.95	26.61	12.20

(1) Gross Stage 1 Loans (%) is computed by dividing the Gross Loans – Stage 1 with Total Gross Loans as of the end of the relevant year.

(2) Gross Stage 2 Loans (%) is computed by dividing the Gross Loans – Stage 2 with Total Gross Loans as of the end of the relevant year.

(3) Gross Stage 3 Loans (%) is computed by dividing the Gross Loans – Stage 3 with Total Gross Loans as of the end of the relevant year.

(4) Net Stage 3 Loans (%) is computed by dividing the Net Loans – Stage 3 with Total Gross Loans as of the end of the relevant year. Net Loans – Stage 3 represent Gross Stage 3 loans less impairment loss allowance for Stage 3 loans as of the end of relevant year.

(5) Provision Coverage Ratio is computed by dividing the impairment loss allowance for Stage 3 loans with Gross Loans – Stage 3 as of the end of the relevant year.

(6) Gross Non Performing Assets – EMI Portfolio is computed by dividing the amount of Gross Non Performing Assets within the full EMI Paying Portfolio by Total Gross Loans – full EMI Paying Portfolio. Full EMI Paying book is the amount of Gross Loans where the full EMI payment has started as of the reporting date, subsequent to the principal moratorium period, if any.

Following the prolonged impact of the COVID-19 pandemic, we offered one-time restructuring to loans eligible under the RBI's resolution framework 1.0 announced on August 6, 2020 and resolution framework 2.0 announced on May 5, 2021 to support borrowers in meeting their obligations. We cannot assure you that we will be able to maintain or reduce our current levels of Gross Stage 3 Loans and Net Stage 3 Loans in the future. In addition, given the recent growth of our Company, a portion of our loan portfolio is yet to be seasoned. As our loan portfolio grows and matures, our NPAs may increase and the current level of our provisions may not adequately cover any such increases. We cannot assure you that any of the steps taken

by us in avoiding delay and/or default of loan repayments by our borrowers will be sufficient.

7. ***We depend on the accuracy and completeness of information provided by our borrowers. Any misleading information provided to us by our borrowers or attempt to defraud us may affect our assessment of their credit worthiness, which could have an adverse effect on our business, results of operations, financial condition and cash flows. We have encountered an incident of fraud and misrepresentation by borrowers during the Financial Year 2025 and recognized a write-off of ₹44.80 million and a provision of ₹169.00 million in our statement of profit and loss in this regard.***

Our underwriting process involves a comprehensive analysis of factors including student credentials, future employability (earnings potential), collateral availability, and country of study, university, and course evaluation (including university ranking, program reputation, country risk, such as immigration laws, regulations on granting of post-study work permit and employment trends). Additionally, we consider the co-borrower's profile and income (credit history, leverage, and income) as well as regulatory factors (such as visa requirements, post-study work permits, and socio-political climate) in the proposed country of study. As part of our underwriting process, we rely on certain representations from borrowers and co-borrowers as to the accuracy and completeness of the information they provide and depend on credit information companies or credit bureaus for other borrower related information.

We follow know your customer ("KYC") guidelines prescribed by the RBI for potential borrowers. Several process controls such as primary account number check, credit bureau report analysis, bank statement analysis, personal discussion with the borrower and co-borrower, fraud check (through subscription to an industry database), and AML database check, among others, are undertaken prior to approval of a loan. In addition, visits to workplace or business locations and residences for applicant and co-borrower, as applicable, enable us to undertake comprehensive due-diligence for the proposed loan. Moreover, for our secured student loans, we undertake a valuation of collateral and obtain legal clearances on the title of such collateral, including a Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("CERSAI") check, in accordance with our credit policy.

Despite the processes set out above, we have encountered an incident of fraud and misrepresentation by borrowers during the Financial Year 2025. We uncovered 71 transactions where there was suspected misrepresentation of documents from the borrowers and a further review was conducted to analyse loans with similar profiles to evaluate if there were any additional suspect cases. Pursuant to such review, for confirmed fraud cases, we recognized a write-off of ₹44.80 million and to account for any expected credit losses and write-offs arising from the incident and pending completion of our investigation of suspected cases with similar typology, we had conservatively recognized a provision of ₹800.00 million in our profit and loss statement for the quarter ended September 30, 2024. We also engaged an independent agency to investigate the incident and based on their report, no conclusive evidence was highlighted that indicated the involvement of our employees in such fraud. However, three employees were noted to be sharing customer and business information with a third party, which constituted a breach of our code of conduct. Such employees no longer work with us.

We have taken efforts to maximize our recovery from such suspected fraud cases, including the issuance of show cause notices to borrowers involved in the suspected fraud transactions. Upon assessment of the responses received, we classified and reported 51 cases as fraud to the RBI, with Total Gross Loans of ₹169.00 million, based on the RBI Master Directions on Fraud Risk Management. Separately, we have reviewed loans with similar profiles for potential suspected frauds and concluded that there are no incremental fraud cases except certain cases with potential stress with Total Gross Loans of ₹117.60 million as of March 31, 2025 on which 100% provision has been retained. Accordingly, we reclassified loans with an aggregate exposure of ₹513.40 million from Stage 2 to Stage 1 with a release of ECL provision of ₹513.40 million thereon during the quarter ended March 31, 2025. Also see "Restated Financial Information – Note 44: Other Disclosures" on page 435.

Furthermore, during the Financial Year 2023, we encountered one instance of employee fraud, where we incurred a loss of ₹1.09 million.

We continuously enhance our underwriting and risk management processes. We have recently implemented several additional measures to prevent and detect such frauds and misrepresentations in the future, including enhanced underwriting guidelines on a risk based approach, increasing direct foreign exchange remittance transactions through empaneled vendors, verifying documents through third party digital platforms, adopting

artificial intelligence and machine learning techniques for enhanced document authentication, increasing stakeholder awareness and training, and strengthening our branches with credit and operations manpower. Nevertheless, we cannot assure you that our enhanced underwriting and risk management measures will be sufficient in eliminating the risk of fraud and misrepresentation by borrowers, intermediaries, and employees in the future. Moreover, we may face legal, regulatory, or reputational consequences arising from such frauds and misrepresentations.

We may not receive updated information regarding any change in the financial condition of our borrowers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our borrowers. Our reliance on any misleading information may affect our judgement of the creditworthiness of potential borrowers, which may adversely affect our business, results of operations, financial condition and cash flows.

Difficulties in accurately assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing assets, which could adversely affect our business and results of operations. Moreover, delays in enforcing security, prolonged bankruptcy or foreclosure proceedings, or defects in security could affect our ability to realize the full value of collateral. For unsecured loans, we rely on legal recourse under Section 138 of the Negotiable Instruments Act, 1881, and Section 25 of the Payment and Settlement Systems Act, 2007. However, delays or inefficiencies in these proceedings, along with economic downturns, fraudulent transactions, or diversion of funds by borrowers from the intended loan purpose, may adversely affect our business, financial condition, results of operations and cash flows.

8. *We are exposed to operational risks, including employee negligence and fraud by employees, agents, borrowers or third parties, which could harm our reputation, business, financial condition, results of operations and cash flows.*

We establish and maintain adequate internal measures that we believe are commensurate with the size and complexity of our operations. While we regularly audit 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. Moreover, our management information systems, policies and standard internal operating 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 weaknesses.

During Financial Years 2025, 2024 and 2023, we experienced six, three and one incidents of breach of our employee code of conduct, respectively. Although there was no resulting loss on account of these incidents, we cannot assure you that we will not encounter such incidents and incur any loss that might accompany them in the future. Also see “— *We depend on the accuracy and completeness of information provided by our borrowers. Any misleading information provided to us by our borrowers or attempt to defraud us may affect our assessment of their credit worthiness, which could have an adverse effect on our business, results of operations, financial condition and cash flows. We have encountered an incident of fraud and misrepresentation by borrowers during the Financial Year 2025 and recognized a write-off of ₹44.80 million and a provision of ₹169.00 million in our statement of profit and loss in this regard.*” on page 49 for details of certain instances of fraud and misrepresentation by borrowers.

Furthermore, our standard operating procedures to deal with fraud, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases. 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. Publicity arising from disclosure of fraud may also have an adverse impact on our borrowers’ confidence in our security measures.

We may also 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 brand. Although we have not experienced such incidents in the past, we cannot assure that we will not encounter such complaints in the future. There can be no assurance that such complaints will not result in further legal actions or adverse publicity against us.

9. *We rely on counsellors and aggregators for the origination of a significant portion of our loans (with*

49.41% of disbursements during the Financial Year 2025 being sourced from them). Any disruption, negligence, fraud or inefficiency in the services provided to us by such counsellors and aggregators could adversely affect our business, results of operations, financial condition and cash flows.

We have a pan-India presence with a large and omni channel distribution network, enabling us to serve a large and diverse pool of borrowers for education loans. Our distribution network comprises distribution agents (which include counsellors and aggregators, banks and financial institutions) and direct channels (including digital leads and referrals). The table below sets out details of disbursements sourced from counsellors and aggregators during the financial years indicated.

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in million, except percentages)					
Counsellors and Aggregators ⁽¹⁾	75,648.12	49.41	63,403.88	45.00	28,795.76	36.03

(1) Counsellors and Aggregators includes education consultants and companies specializing in facilitating student applications and aggregating education loan options.

Of our counsellors and aggregators, we depend significantly on our five largest counsellors and aggregators. Set out below are details of disbursements sourced from our largest counsellor/aggregator and five largest counsellors and aggregators during the financial years indicated:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in million, except percentages)					
Largest counsellor/aggregator	9,685.17	6.33	5,429.33	3.85	2,706.99	3.39
Five largest counsellors/aggregators	26,696.55	17.44	23,964.72	17.01	10,294.44	12.88

We generally offer commissions ranging between 0.75% to 1.50% of the disbursed loan amount to our channel partners. The table below sets forth details of the aggregate commissions paid to our counsellors and aggregators during the financial years indicated:

Particulars	For the Financial Year		
	2025	2024	2023
	(₹ in million)		
Aggregate commission paid to counsellors and aggregators	626.36	517.58	203.01

Our arrangements with our counsellors and aggregators are on a non-exclusive basis. This exposes us to the risk that these parties may work for our competitors, which may adversely affect our ability to increase our borrower base. While we have not had any instances of disruption in relationship with our counsellors and aggregators, or instances of fraud, negligence or inefficiency in the services provided by our counsellors and aggregators during the last three Financial Years, we cannot assure you that we will be successful in continuing to receive uninterrupted services from such counsellors and aggregators. Any breakdown in our relationship or disruption, negligence, fraud or inefficiency in the services provided to us could adversely affect our business, results of operations, financial condition and cash flows. Also see “— We rely on distribution agents, banks and financial institutions and direct channels (including digital leads and referrals) for the origination of our loans. Any disruption, negligence, fraud or inefficiency in the services provided to us could adversely affect our business, results of operations, financial condition and cash flows” on page 42.

10. **We have experienced ratings downgrades in the past and any future downgrades in our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.**

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Our credit ratings for our outstanding debt instruments as of March 31, 2025, March 31, 2024 and March 31, 2023, are set out below:

Rating Agency	Instrument	As of March 31,		
		2025	2024	2023
CRISIL Ratings Limited	Commercial paper	CRISIL A1+ / Stable	CRISIL A1+ / Stable	CRISIL A1+ / Stable
	Bank loan	CRISIL AA+ / Stable	-	-
	Non-convertible debentures	CRISIL AA+ / Stable	CRISIL AA+ / Stable	CRISIL AAA / Stable
	Subordinated debt	CRISIL AA+ / Stable	CRISIL AA+ / Stable	CRISIL AAA / Stable
	Perpetual debt instrument	CRISIL AA / Stable	CRISIL AA / Stable	-
ICRA Limited	Commercial paper	ICRA A1+ / Stable	ICRA A1+ / Stable	ICRA A1+ / Stable
	Bank loan	ICRA AA / Stable	ICRA AA / Stable	ICRA AAA / Stable
	Non-convertible debentures	ICRA AA / Stable	ICRA AA / Stable	ICRA AAA / Stable
	Subordinated debt	ICRA AA / Stable	ICRA AA / Stable	ICRA AAA / Stable
	Perpetual debt instrument	ICRA AA- / Stable	ICRA AA- / Stable	ICRA AA+ / Stable
CARE Ratings Limited	Bank Loans	CARE AA / Stable	CARE AA / Stable	-
	Non-convertible debentures	CARE AA / Stable	CARE AA / Stable	CARE AAA / Stable
	Subordinated debt	CARE AA / Stable	CARE AA / Stable	CARE AAA / Stable
	Perpetual debt instrument	CARE AA- / Stable	CARE AA- / Stable	CARE AA+ / Stable

Our credit ratings for our non-convertible debentures, subordinated debt, perpetual debt instruments and bank loans were downgraded in March 2024 due to our transition out of the HDFC group. We currently have a credit rating of AA+ from CRISIL and AA from CARE and ICRA for our long-term financial instruments. This was achieved as a standalone entity, subsequent to the change of control of our Company from HDFC Bank Limited to a member of the EQT Group.

Any further downgrade in our credit ratings could increase borrowing costs, resulting in an event of default under certain financing arrangements which may entail recall of the loan facility on demand, and adversely affect our access to capital. In addition, it could increase the probability of our lenders imposing additional terms and conditions regarding any financing or refinancing arrangements we enter into in the future. The ratings provided by credit rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency. These instances could adversely affect our business, results of operations, financial condition and cash flows, with any downgrade in the future potentially impacting our ability to raise debt and equity capital.

11. We are vulnerable to volatility in interest rates for both our borrowing and lending operations, which could cause our net interest income 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 and our finance cost. 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. Our loans, i.e., our assets, are offered at variable interest rates. Any increase in our cost of funds may lead to a reduction in our net interest margin or require us to increase interest rates on loans disbursed to borrowers in the future to maintain our net interest margin.

The table below sets out details of our cost of quarterly average borrowings, floating and fixed rate borrowings and net interest margin as of March 31, 2025, 2024 and 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(% of total borrowings)		
Cost of Borrowings (Quarterly Average) ⁽¹⁾	8.85	8.63	7.81
Floating Rate Borrowings	80.74	78.74	67.10
Fixed Rate Borrowings	19.26	21.26	32.90
Net Interest Margin on Quarterly Average Interest Earning Assets (%) ⁽²⁾	3.95	3.85	4.13

- (1) *Cost of Borrowings (Quarterly Average)* is the ratio of finance cost to *Quarterly Average Total Borrowings* for the relevant year. *Quarterly Average Total Borrowings* is the average of our *Total Borrowings* outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (2) *Net Interest Margin on Quarterly Average Interest Earning Assets* is the ratio of *Net Interest Income* to *Average Interest Earning Assets* for the relevant year. *Average Interest-earning Assets* represent the average of *Total Interest-Earning Assets* as at the beginning of the relevant year and at end of each of the quarters during the relevant year.

Interest rates are highly sensitive to many factors beyond our control. In a declining interest rate environment, if our cost of funds does not decrease at the same rate or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin may be adversely impacted. Further, we may be required to pass on benefits arising from any reduction in our borrowing costs due to declining interest rates to our borrowers, which could adversely affect our net interest margins. Under the NBFC Scale Based Regulations, we are prohibited from charging pre-payment penalties on student loans with variable interest rates extended to individual borrowers within India. In a declining interest rate environment, this restriction could incentivize high-credit-quality borrowers and co-borrowers to refinance their loans with other lenders offering lower rates. Such balance transfers could reduce the demand for our loans and impact our ability to retain high-quality borrowers, affecting our growth and profitability.

12. *We are required to comply with guidelines issued by regulatory authorities in India, including the Reserve Bank of India, Securities and Exchange Board of India and the Insurance Regulatory and Development Authority of India, which are evolving and may increase our compliance risks and costs.*

We are regulated principally by the RBI and are also subject to regulatory oversight from SEBI (presently, as a high value debt-listed company, our Company is subject to the continuous disclosure obligations under the SEBI Listing Regulations, and we will be subject to additional obligations and disclosure requirements once our Equity Shares are listed on the Stock Exchanges) and IRDAI (as a corporate agent registered with the IRDAI for sourcing of insurance products). We are also subject to the corporate, taxation and other laws in effect in India. Our business and financial performance could be 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, including foreign investment laws governing our business, operations and investments in our Company by non-residents. These regulations, apart from regulating the manner in which a company carries out its business and internal operations, prescribe various periodical compliances and filings, including the filing of forms and declarations with the relevant registrar of companies, the RBI and other relevant authorities. Further, notification of new regulations and policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our borrowers may increase our compliance costs. Any such changes and the related uncertainties with respect to the implementation of new regulations could lead to increased compliance costs and may have an adverse effect on our business, results of operations, financial condition and cash flows.

Additionally, the Digital Personal Data Protection Act, 2023 (“**DPDP Act**”) was passed in August 2023 and once notified, will replace the existing data protection provisions, as contained in Section 43A of the Information Technology Act, 2000. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as the appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the DPDP Act. The DPDP Act provides that personal data may be processed only in accordance with the DPDP Act, and for a lawful purpose after obtaining the consent of the individual or for certain legitimate uses. The DPDP Act outlines prescriptive compliance controls across enterprises managing the personal information of Indian citizens. We cannot assure you that no actions will be taken against us by the regulatory authorities in the future for any alleged contravention of the DPDP Act which could adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

Any such instances of penalties by regulatory authorities in the future may have an adverse effect on our business and results of operations. We cannot assure you that we will not be subject to any adverse regulatory action in the future. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements in the future, our business, results of operations, cash flows and financial condition may be adversely affected.

Some of the material laws, rules and regulations applicable to us, wherein any adverse changes may affect our business, results of operations, cash flows and financial condition include:

- NBFC Scale Based Regulations and other regulations published by the RBI in exercise of the powers conferred under the provisions of the RBI Act;
- Companies Act, 2013, read with rules made thereunder;
- IRDAI (Registration of Corporate Agents) Regulations, 2015;
- Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended;
- The Digital Personal Data Protection Act, 2023;
- the Income-tax Act, 1961;
- Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder; and
- Integrated Goods and Services Tax Act, 2017.

We are required to comply with the following regulations on account of our non-convertible debentures being listed:

- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

While we are currently in compliance with the above regulatory requirements, as applicable, we cannot assure you that we will be able to comply with any increased or more stringent regulatory requirements in a timely manner, in part or at all.

For further details, see “Key Regulations and Policies” on page 251.

13. *We are subject to periodic inspections and regulatory supervision and surveillance by the Reserve Bank of India. Non-compliance with observations made by the RBI during any such inspections could expose us to penalties and restrictions. Any imposition of penalties or adverse findings by the Reserve Bank of India during any future inspections or otherwise may have an adverse effect on our reputation, business, results of operations, financial condition, and cash flows.*

We are subject to periodic inspections and regulatory supervision and surveillance by the RBI of our operations, corporate governance, statutory and internal policies, risk management systems, internal controls, regulatory compliance and credit monitoring systems, balance sheet, financials and other records, including details of disbursements, non-performing assets, grievance redressal mechanism, and branches, among others, for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI and other authorities. During the course of finalizing inspections, the RBI inspection team shares its findings and recommendations with us and provides us an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, from that observed by the RBI. Upon final determination by the RBI of the inspection results, we may be required to take actions specified therein by the RBI to its satisfaction.

The RBI highlighted some observations regarding different aspects of our business as well as recommended areas of improvement in its last inspection conducted for the Financial Year 2023 including the following as set out in the table below:

S. No.	RBI's Observation	Compliance Status
1.	The Company needs to undertake a comprehensive review of its underwriting standards including parameters used for credit assessment, especially in view of the significant growth in the advances portfolio compounded with high proportion of unsecured loan book. The RMC needs to ensure compliance with the proposed actions derived from this review.	Our Company has a Board approved credit policy, and the underwriting standards/processes are reviewed from time to time. Further, the management has reviewed the underwriting standards and submitted an enhancement action plan including straight through processing for rejecting loan applications, automation of policy rules/deviation, implementation of credit scorecard and Early Warning Signals (EWS) model. We have implemented the aforesaid action plan.

2.	The significant surge in complaints compared to the previous year, cast a shadow on customer conduct and the company needs to undertake a root cause analysis of the complaints to holistically address the underlying concerns. The fees and charges levied on the borrowers needs to be reviewed so that they are reasonable.	The relative growth of our active loan accounts between the Financial Year 2023 and 2024 has outpaced the growth of customer complaints received during such period. Our Company has undertaken a root cause analysis of the customer complaints and has made changes in the customer onboarding and life cycle journey by refreshing its technology stack wherein the customers can track the progress of their loan applications in real time. We have started capturing the root cause analysis of complaints through the customer relationship management tool deployed by our Company to learn and effectively address customer complaints. We charge reasonable processing fees and a fee approval matrix has been incorporated into the 'Interest Rate Policy'. Further, the interest rate, fees and all (potential) charges are communicated to the customers via the "Most Important Terms and Conditions" document as well as the loan agreement.
3.	The senior management to ensure that the directives emanating from meetings of the Board and its committees are clearly delineated as 'Action Points' to ensure tracking of compliance.	Directions emanating from meetings of the Board and its sub-committees are recorded as "Action Points" in the minutes of the meetings with a regular update to the Board until satisfactory closure.
4.	The Board needs to devise a roadmap for the implementation of a robust loan origination system, automated NPA identification and implementation of an integrated treasury system. The Company needs to develop a comprehensive manual detailing the treasury activities across the front, mid and back offices.	Our Company has implemented a new age LOS and LMS with automated NPA classification and has largely completed the implementation of a robust treasury application system. Our Company has established a detailed standard operating procedure which clearly defines the activities relating to the treasury front, mid and back-office functions with appropriate segregation of duties.
5.	The management attention is warranted to rectify the deficiencies in adherence to KYC guidelines.	The management has given its due attention to rectify the deficiencies in adherence to KYC guidelines. Our Company has implemented a new LOS which auto-populates the officially valid documents through system integration, to ensure compliance with requirements under KYC guidelines.
6.	To mitigate outsourcing risks, the company needs to define clear and objective criteria for assessing the materiality of outsourced activities and vendors. The periodic review and audit of these vendors needs to be done based on materiality to ensure a more resilient framework.	Our Company has ensured comprehensive review of its outsourcing activities through: <ol style="list-style-type: none"> 1. Reviewing and suitably updating the existing outsourcing policy; 2. Defining objective criteria for risk assessment, material assessment, due diligence, performance evaluation, and audit of vendors based on materiality; 3. Identifying vendors that meet the criteria of material outsourcing and implementing an appropriate onboarding, review, and monitoring process for such vendors; and 4. Identifying and implementing a vendor lifecycle management solution.
7.	The attention of senior management is required to ensure adherence to the digital lending guidelines.	Our Company has implemented the Guidelines on Digital Lending dated September 2, 2022.

While the RBI has not levied any penalty or taken any enforcement action in its past inspection reports for Financial Years 2023 and 2022, and we have provided necessary clarifications or undertaken to ensure compliance with the RBI's observations, we cannot assure that such steps will be satisfactory and that the RBI will not have further observations in the future or will not impose any penalties for non-compliances. Imposition of any such findings, notices or penalties by the RBI during any future inspection may have an adverse effect on our reputation, business, results of operations, financial condition and cash flows.

In the event that we are unable to comply with any observations made by the RBI or comply with its policies, circulars and directions, we could be subject to penalties and restrictions which may be imposed by the RBI including restricting our business activities, penalizing our management, and enforcing increased scrutiny and control over our business operations (including by way of withholding approvals, or issuing conditional approvals). Any imposition of penalties or adverse findings by the RBI during any future inspections or

otherwise may have an adverse effect on our reputation, business, results of operations, financial condition, and cash flows.

14. Our business could be adversely affected if we are unable to comply with the limits and requirements, including the capital adequacy, liquidity coverage and principal business criteria ratios stipulated by the Reserve Bank of India, resulting in penalties and reputational damage and affecting our overall financial performance.

We are subject to, among other regulations, regulations relating to capital adequacy, liquidity coverage and principal business criteria ratios, as stipulated by the RBI from time to time.

The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023 (“**NBFC Scale Based Directions**”) currently require NBFCs such as our Company to comply with a capital to risk weighted assets ratio (“**CRAR**”) consisting of Tier I and Tier II capital. As per the NBFC Scale Based Directions, we are required to maintain a minimum capital ratio, consisting of Tier I capital and Tier II capital of not less than 15% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. In line with the NBFC Scale Based Directions, at a minimum, Tier I capital of an NBFC (except NBFC-MFI and NBFC primarily engaged in lending against gold jewellery), at any point of time, cannot be less than 10%. Further, in order to comply with the principal business criteria ratio stipulated by the RBI, NBFCs are required to maintain financial assets more than 50% of total assets (netted off by intangible assets) and income from financial assets more than 50% of gross income. Similarly, NBFCs are required to maintain minimum liquidity coverage ratio of 100%, as per the NBFC Scale Based Directions. For further details, see also “*Our Business – Capital Adequacy Ratios*” and “*Key Regulations and Policies*” on pages 241 and 251, respectively.

A higher CRAR reflects a strong capital base relative to our risk-weighted asset exposure, reflecting our capacity to absorb financial distress and maintain operational stability. Any decline in CRAR below the regulatory expectation may indicate weakening capital adequacy. Moreover, Tier I capital is a measure of the financial health of our Company and is the primary funding source of our Company comprising of shareholders’ equity and retained earnings.

The table below sets out details of our Company’s CRAR and Tier I and Tier II capital as a percentage of risk weighted assets, as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Tier I Capital ⁽¹⁾	91,206.67	53,127.07	25,780.68
Tier II Capital ⁽²⁾	9,756.33	12,341.65	10,287.07
Total Capital	100,963.00	65,468.72	36,067.75
Risk Weighted Assets ⁽³⁾	462,996.76	320,083.12	176,664.69
Capital to Risk Weighted Assets ratio (CRAR) (%) ⁽⁴⁾	21.81	20.45	20.42
Tier I Capital (%)	19.70	16.60	14.60
Tier II Capital (%)	2.11	3.85	5.82

(1) Tier I Capital comprises share capital, share premium, retained earnings including current year profit.

(2) Tier II Capital comprises provision on stage I assets.

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

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

The table below sets out details of our Company’s liquidity coverage ratio, for the quarters indicated:

Particulars	For the quarter ended March 31,		
	2025	2024	2023
	(percentages)		
Liquidity Coverage Ratio ⁽¹⁾ (%)	343	155	108
Minimum Regulatory Requirement (%)	100	85	70

(1) Liquidity Coverage Ratio is the ratio of stock of high quality liquid assets over total net cash outflows over the next 30 calendar

days.

The table below sets out details of our Company's principal business criteria ratio (which is tested on an annual basis), as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(percentages)		
Financial Assets to Total Assets (%)	91.24	92.86	96.39
Minimum Regulatory Requirement (%)	>50	>50	>50
Income from Financial Assets to Total Income (%)	96.04	95.71	97.84
Minimum Regulatory Requirement (%)	>50	>50	>50

Note: Principal Business Criteria ("PBC") Ratio is the ratio of financial assets to total assets (netted off by intangible assets) and income from financial assets to the gross income (asset and income pattern).

While we have been in compliance with regulatory requirements for our CRAR, liquidity coverage ratio and principal business criteria ratio, including prudential risk guidelines, in the past, we cannot assure you that we will be able to maintain such ratios within the regulatory limits in the future. In particular, regulatory assessment of our capital adequacy and liquidity coverage requirements may differ from our own. Any failure or perceived failure to comply with such regulatory requirements could lead to the imposition of penalties or regulatory action against us, and have an adverse effect on our business, results of operations, cash flows and financial condition.

As we continue to grow our loan portfolio and asset base, we may be required to raise additional Tier I and Tier II capital and fund our liquidity needs in order to remain in compliance with the applicable regulatory requirements. We cannot assure you that we will be able to raise additional Tier I and Tier II capital in order to remain in compliance with applicable regulatory ratios or maintain the required amounts of financial assets or income from financial assets. Further, the RBI may modify its current regulatory requirements, which may require us to raise additional capital. While we currently are in compliance with the aforementioned NBFC Scale Based Directions, we cannot assure you that we will be able to raise adequate additional capital in the future on terms favorable to us, or at all, which may adversely affect the growth of our business.

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

Our assets and liabilities mature over different periods, which exposes us to potential liquidity risks. We monitor the contractual maturity periods of our assets and liabilities and categorize them based on the number of months and years in which they mature, as set forth below:

Particulars	As of March 31, 2025		
	Equity and Liabilities ⁽¹⁾	Assets ⁽²⁾	Cumulative Gap
	(₹ in million)		
Up to one month	3,715.07	22,021.49	18,306.42
Over one month to two months	3,685.67	15,634.64	30,255.39
Over two months to three months	7,720.93	14,922.45	37,456.91
Over three months to six months	20,769.87	20,208.91	36,895.95
Over six months to one year	67,021.86	50,279.55	20,153.64
Over one year to three years	163,464.33	144,412.67	1,101.98
Over three years to five years	94,869.76	74,145.69	(19,622.09)
Over five years	122,808.71	142,430.80	-
Total	484,056.20	484,056.20	-

(1) Equity and Liabilities represent total equity, trade payables, debt securities, borrowings (other than debt securities), subordinated liabilities, other financial and non-financial liabilities.

(2) Assets represent cash and bank balances, receivables, loans, net of provision, investments and other financial and non-financial assets.

Our loan book comprises education loans, many of which feature extended repayment tenures and initial periods where repayment obligations are minimal until after the borrower completes their education. Changes in applicable tax laws in the jurisdictions in which our borrowers live and work could also delay or offset pre-payment decisions by such borrowers, leading to extended behavioral loan tenures. These

extended tenures and grace periods lead to longer asset maturity profiles, which may not align optimally with the shorter-term maturity of our funding sources, creating potential asset-liability mismatches. Any delay in borrowers securing employment or insufficient earnings post-education may increase default rates, thereby adversely affecting our credit quality. Moreover, prolonged tenures could constrain our ability to recycle capital efficiently, limiting our capacity to issue new loans. Consequently, these factors could strain our liquidity, elevate credit exposure, and adversely affect our business, financial condition, results of operations, and cash flows.

We have not faced any breach of tolerance limits prescribed under regulatory guidelines or our Board approved policy for net cumulative mismatches as of March 31, 2025. However, we cannot assure you that we will be able to raise capital to achieve a favourable asset-liability maturity profile in the future. Any adverse instances in the future may lead to a liquidity risk and have an adverse effect on our business, results of operations, financial condition and cash flows. For details, see “*Selected Statistical Information – Asset-Liability Management*” on page 324.

16. *Our transition from the “HDFC” brand may impact our competitive position and market recall, potentially affecting our business, results of operations, and financial condition.*

Since the incorporation of our Company in 2006, we have operated under the “Credila” brand, with the use of the “HDFC” name from February 19, 2017 to October 21, 2024. The association with the “HDFC” brand has contributed to building our reputation as a trusted provider of education financing in India and for students pursuing higher education overseas. While we have implemented measures to further strengthen the “Credila” brand through initiatives such as informational seminars, social media engagement, sponsorships, and participation in international education fairs, our transition from the “HDFC” brand may affect our brand recognition, competitive positioning, and customer recall. Any adverse impact on our brand perception could potentially influence our ability to attract and retain customers, thereby affecting our business, results of operations, and financial condition.

17. *Expiration of restrictive covenants in our shareholders’ agreement dated June 19, 2023, could result in increased competition and the loss of key personnel, which may adversely affect our business, financial condition, and results of operations.*

Pursuant to the terms of the shareholders’ agreement dated June 19, 2023 between the Company and HDFC Bank, among other parties (the “SHA”), HDFC Bank is subject to a non-compete obligation and a non-solicitation obligation. The non-compete obligation prohibits HDFC Bank from provision of education loans to students studying overseas until March 18, 2025, with certain exceptions. Additionally, the non-solicitation obligation prohibits HDFC Bank from soliciting any of our Company’s key personnel (as set out in the SHA) until March 18, 2026.

Since the incorporation of our Company in 2006, we have operated under the “Credila” brand, with the use of the “HDFC” name from February 19, 2017 to October 21, 2024. We are dependent on HDFC Bank, which was our largest channel partner during the last three Financial Years. The table below sets out the contribution of HDFC Bank to our disbursements during the Financial Years 2025, 2024 and 2023:

Particulars	Financial Year		
	2025	2024	2023
Contribution of HDFC Bank to our disbursements (<i>₹ in million</i>)	32,198.86	30,187.99	16,265.38
Contribution of HDFC Bank to our disbursements as a % of total disbursements (%)	21.03	21.43	20.35

Upon the expiration of these restrictive covenants (of which, the non-compete obligation has expired on March 18, 2025), there can be no assurance that HDFC Bank will not engage in activities that directly compete with our business or solicit any of our key personnel. Any such actions could result in heightened competition, potential loss of market share, and the diversion of customers from our business. Additionally, the solicitation and potential loss of any of our key personnel could adversely affect our operations and our relationships with customers, employees, and other stakeholders, thereby affecting our business, financial condition, and results of operations.

18. *Our business and growth prospects depend on the adoption and usage of digital platforms and services by*

our customers, partners and regulators, which may be influenced by various factors beyond our control.

We leverage digital platforms and services to enhance our customer experience, operational efficiency, risk management and regulatory compliance. We use various digital channels, such as our website, chatbots and social media, to reach out to potential and existing customers, provide information on our products and services, enable online loan applications and document submissions, and facilitate digital payments and collections. We also use (or are in the process of implementing) cloud-based systems, data analytics and machine learning to streamline our loan origination, processing and monitoring processes, improve our credit decision-making and portfolio management, and mitigate risks such as fraud, cyberattacks and data breaches. Further, we are subject to various digital regulations and guidelines issued by the RBI and other authorities, which require us to comply with certain standards and norms for digital transactions, data protection, cybersecurity and grievance redressal.

The adoption and usage of digital platforms and services by our customers, partners and regulators may be influenced by various factors beyond our control, such as:

- the availability and accessibility of internet connectivity, smartphones and other devices, and digital payment systems, especially in rural and semi-urban areas;
- the level of digital literacy among our target customer segments, especially among students and their co-borrowers, who may have varying degrees of familiarity and comfort with digital platforms and services;
- the emergence of new technologies, trends and customer expectations, which may require us to constantly upgrade, enhance and integrate our digital platforms and services, and incur significant costs and resources;
- cyber threats, attacks, breaches, disruptions, errors or failures that may compromise the security, integrity, availability and functionality of our digital platforms and services, or those of our partners, and result in loss of data or revenue, or legal actions or penalties; and
- changes in laws, regulations, policies or guidelines relating to digital platforms and services, which may impose additional compliance requirements on us or our partners.

Any of these factors may adversely affect the adoption and usage of digital platforms and services by our customers, partners and regulators, and consequently, our business, results of operations, financial condition and cash flows.

19. We rely significantly on our information technology systems. Any breach of, cyber-attacks on, unforeseen internal or external disruptions to, downtime of and inadequacy in our technology systems could adversely affect our business and lead to financial, legal, and reputational damage.

We use our technology platforms to assist with functions such as origination, underwriting, loan management, risk management, customer service, collections, accounting, cloud-based reporting and to perform data analytics. We have developed and utilize proprietary tools, cloud services, cloud-based SaaS products, cloud-based central repository and mobility applications to run various applications covering customer-facing and internal processes. Our operations depend on our ability to run uninterrupted, scalable and integrated systems, which are accessed by customers, internal users and partners. We have systems for managing the customer life cycle, including loan origination and loan management, as well as mobile applications. We also carry out periodic assessments of our information technology systems to test for breaches, review compliance with our cybersecurity policies and requirements, and ensure that our security systems are up to date.

However, we may be subject to disruptions, failures or infiltrations of our information technology systems arising from events that are wholly or partially beyond our control including, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from third-parties, such as internet backbone providers, for which we may be held liable.

Our ability to operate and remain competitive will depend, in part, on maintaining resilient systems and a monitoring framework, and on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. Any unforeseen internal or external disruptions, downtime and inadequacy in our technology systems may adversely affect our operations. While we have had no instances of material disruptions during the Financial Years 2025, 2024 and 2023, we cannot assure that we will not encounter any disruptions in the future.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees, who may have a lack of experience with our newer information technology systems, or others, that may expose sensitive or confidential data to unauthorized persons. Data security breaches could also lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our borrowers and employees, which could result in breaches of applicable data security laws and imposition of monetary penalties and third-party claims for such breach. While we have not identified any instances of data security breaches during the Financial Years 2025, 2024 and 2023, we cannot assure you that we will not encounter any such breaches in the future.

Security measures could be breached by third-party actions, intrusion into our software by hackers due to software flaws or due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. Any security breaches or compromises of technology systems in the future could result in institution of legal proceedings against us and potential imposition of penalties, which could adversely affect our business and lead to financial, legal, and reputational damage.

20. *Our inability to meet our obligations under our financing agreements and instruments could adversely affect our business, results of operations, financial condition and cash flows.*

Our ability to meet our debt service obligations and repay our outstanding financial indebtedness will depend primarily on the cash generated from our business, which depends on the timely repayment by our borrowers.

The table below sets out details of our total borrowings, total equity and debt to equity ratio, as of March 31, 2025, March 31, 2024, and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
Total Borrowings ⁽¹⁾ (₹ in million)	388,690.14	260,328.27	136,552.21
Total Equity (₹ in million)	86,945.06	50,433.64	24,350.92
Debt to Equity Ratio ⁽²⁾ (times)	4.47	5.16	5.61

(1) Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant year.

(2) Debt to Equity Ratio is computed by dividing our total borrowings by total equity of the relevant year.

Our financing agreements and instruments contain certain restrictive covenants that limit our ability to undertake fund raising activities and require us to obtain prior approval from our lenders for undertaking several actions, including:

- Change in capital structure or shareholding pattern or ownership of our Company;
- Change in the management or management set up of our Company or control or ownership or dilution in promoter holding of our Company;
- Creation of further charge or any other encumbrance on the security provided for our borrowings;
- Change, diversification or expansion in business activities;
- Change in practice of remuneration of Directors;
- Appointment of other banks (apart from the existing lenders) in relation to capital market transactions;
- Amendment or modification of constitutional documents of our Company; and

- Formulation of scheme of merger, consolidation, reorganisation, reconstruction, compromise or amalgamation.

Some of our financing agreements and instruments also contain cross-default and cross-acceleration clauses, which may be triggered in the event of a default by us under other financing agreements, and also require us to maintain certain financial ratios, such as CRAR, Gross Stage 3 Loans, leverage ratio, among others, at the end of certain reporting periods, including end of the Financial Years and the last quarters of Financial Years.

The clauses and covenants under the financing arrangements as mentioned above are in the ordinary course of business for an NBFC and will continue after completion of the Offer, as is customary for borrowing arrangements entered in the ordinary course of business. Our lenders also have the ability to recall or accelerate all or part of the amounts owed by us, subject to the terms of the relevant financing arrangement, under certain circumstances. While there have been no instances of failures to meet our obligations under financing agreements in the last three Financial Years, we cannot assure you that we will be able to repay our loans in full, or at all, in the event of an acceleration notice, or otherwise. If we fail to meet our debt service obligations or comply with the covenants under our 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. In the event, any of the cross-acceleration or cross default rights are triggered, our Company would be required to repay all of the outstanding borrowings, as on such particular date. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings, which may adversely affect our business, results of operations, financial condition and cash flows.

21. *Our underwriting model for our student loan businesses relies on the employability prospects of students, among other factors. The inability of a large proportion of borrowers to secure employment over a period of time following completion of the financed course of study could have an adverse effect on our business.*

For our student borrowers to be able to continue to repay their education loans, it is critical to have strong employment and business opportunities in the geographies in which they wish to be based, primarily the country of study. Our student borrowers may default in their repayment obligations due to several reasons, including the inability to gain employment following the completion of the financed course of study, loss of employment or insolvency of the co-borrower, lack of liquidity or personal emergencies such as the death of an income-generating family member, among others. The impact of these factors may be heightened in rising or high interest rate environments, causing payments on variable-rate loans to increase. Although we aim to minimise the impact of this risk by relying on at least one parent or blood relative as co-borrowers, to the extent we are unable to successfully manage risks associated with lending to students for overseas higher education, we might be unable to fully recover our outstanding loans, which could adversely affect our business.

22. *Our business has grown rapidly and we may not be able to sustain our historical growth rates and asset quality metrics in the future. Any inability to manage our growth, asset quality and expansion efforts effectively and execute our growth strategy in a timely manner, or within budget estimates, could have an adverse effect on our business, results of operations, financial condition and cash flows.*

We have experienced significant growth in recent years on account of overseas education becoming an increasingly attractive option for Indian students. The increasing demand for overseas education is driven by various factors, including aspirations for higher quality education, wider range of career prospects, and access to globally recognized academic programs. Additionally, aging populations in developed countries have led to a growing reliance on international students to support labor markets. In addition, universities and colleges in these countries increasingly depend on international students to address declining domestic enrollments and supplement their revenue streams (Source: *Industry Report*).

The table below sets out certain parameters outlining our growth as of and for the Financial Years 2025, 2024 and 2023:

Particulars	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million)		
AUM ⁽¹⁾	418,104.49	281,871.98	152,976.60
Disbursements ⁽²⁾	153,088.59	140,892.15	79,917.41
Total income	47,260.00	27,710.41	13,521.76

Particulars	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million)		
Restated net profit after tax	9,899.58	5,288.39	2,759.25

(1) *Assets Under Management (AUM) is the aggregate of Gross Loan Book and assigned loan assets, which represents the aggregate amount of off-book loan assets that have been transferred by way of assignment as at the last day of the specified year.*

(2) *Disbursements represents the aggregate of all loan amounts disbursed to our borrowers in the relevant year.*

As we continue to increase the scale of our operations, we intend to achieve profitable growth by leveraging our growing student borrower base and strengthening and expanding our coverage of universities and courses across our geographies. This would require us to incur additional expenses that may not yield desired results or incur costs that we may not be able to recover. Moreover, our future growth will depend, among other things, on our ability to maintain an operating platform and management system that is able to accommodate such growth, and will require us to incur significant additional expenses, expand our workforce and commit additional senior management and operational resources. Any inability to manage our growth and expansion efforts effectively and execute our growth strategy in a timely manner, or within budgetary estimates, could have an adverse effect on our business, results of operations, financial condition and cash flows.

23. *A portion of the proceeds from this Offer aggregating up to ₹20,000.00 million will not be available to us.*

As this Offer includes an Offer for Sale of Equity Shares of face value of ₹10 each by the Selling Shareholders aggregating up to ₹20,000.00 million, the proceeds from the Offer for Sale net of their respective portion of the Offer expenses will be remitted to each of the Selling Shareholders, to the extent of their respective portion of the Offered Shares. Our Company will not receive any proceeds from the Offer for Sale aggregating up to ₹20,000.00 million and will only be entitled to the Net Proceeds, which will be the proceeds of the Fresh Issue aggregating up to ₹30,000.00 million, less our Company's share of the Offer-related expenses. For details in relation to the Offer, see "The Offer" and "Object of the Offer" on pages 89 and 129, respectively.

24. *The volume of our business may vary during certain periods in a financial year, primarily in connection with student loans – overseas business.*

Demand for our education loans is typically higher during the second quarter of each Financial Year, reflecting the academic calendar of universities in the United States, Canada and the United Kingdom. Specifically, our disbursements typically peak during July–August, coinciding with the Fall semester admissions, and again during December–January, corresponding with Spring semester admissions. These peaks are primarily driven by students bound for universities in the United States, which continues to be our largest market. Disbursements to students studying in the United States accounted for a significant majority of our total disbursements during the Fall and Spring admission seasons. Additionally, a similar seasonality is observed in our login volumes, which typically peak from March to May, reflecting the active pre-admission window when students are preparing applications for forthcoming academic cycles. This inherent seasonality exposes us to risks associated with fluctuating liquidity needs, operational capacity management, and uneven revenue streams, all of which could adversely affect our financial condition, profitability, and cash flows if we are unable to adequately plan for and manage these fluctuations. While we actively explore emerging study programs and geographic markets to promote a more consistent distribution of disbursements, some borrowers may defer utilizing our services to align with subsequent admission cycles, leading to fluctuations in demand throughout the year.

25. *There have been delays in certain of our regulatory filings in the past, including certain statutory dues that have not been deposited on account of a dispute. If legal proceedings or regulatory actions are initiated against our Company in the future in relation to these matters, our business, financial condition, results of operations, cash flows and reputation may be adversely affected.*

There have been certain delays in regulatory filings made by our Company in the past. For instance, our Company had delayed in filing Form 2 filed in relation to allotment of CCPS - Round I on March 30, 2011 and Form PAS-3 filed in relation to allotment of OCPS - Round II on September 2, 2013. Further, there has been a delay in filing form CHG-9 for modification of charge in relation to 74,000 secured, listed, rated, redeemable, non-convertible debentures bearing ISIN INE539K07296 due to delay in approval of the CHG-9 filed earlier for creation of charge, by the RoC. Our Company has paid an additional fee towards delay in filing the aforementioned forms.

Further, there have been delays in payment of statutory dues by our Company in the last three fiscals, details of which are provided below:

- There was a delay in payment of CGST and SGST amounting to ₹ 2,473.54 each, in relation to our branch in Ahmedabad, Gujarat, for the month of October, 2024; and
- There was a delay in payment of professional tax amounting to ₹ 10,832, in relation to our branch in Coimbatore, Tamil Nadu, for the period from April 2024 to April 2025.

We cannot assure you that we will not be subjected to any liability on account of such delay in the future.

For further details on delays in filing of certain regulatory filings, please see, “ - *Our non-convertible debentures and commercial paper are listed on the debt segment of BSE Limited, and we are subject to rules and regulations of the Stock Exchange and SEBI (Securities and Exchange Board of India) with respect to such listed non-convertible debentures and commercial paper. If we fail to comply with such rules and regulations, we may be subject to penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.*” on page 68.

Our audit reports also include the following remarks as matters required to be reported in the audit reports under the Companies (Auditors Report) Order 2020:

• Financial Year 2024

“The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Goods and Service Tax, 2017	Tax demand	3.61	Jul 2017 – Mar 2018	Appeal to Appellate Authority	Nil

”

• Financial Year 2025

“The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Disputed Amount as per order (Rs in million)	Amount Paid under protest (Rs in million)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Goods and Services Act, 2017	Goods and Services Tax	3.61	0.17	FY 2017-18	Goods and Service Tax Appellate Authority	Nil
Goods and Services Act, 2017	Goods and Services Tax	9.13	0.47	FY 2019-20	Goods and Service Tax Appellate Authority	Nil
Goods and Services Act, 2017	Goods and Services Tax	1.93	0.10	FY 2020-21	Goods and Service Tax Appellate Authority	Nil
Goods and Services Act, 2017	Goods and Services Tax	0.68	-	FY 2020-21	Goods and Service Tax Appellate Authority	Nil

”

We cannot assure you that our Statutory Auditors’ reports for future financial periods will not contain similar remarks required to be reported under Companies (Auditors Report) Order 2020, which could adversely affect our results of operations.

26. *As of March 31, 2025, 63.52% of our AUM was concentrated in education loans for masters' programs in science, technology, engineering and mathematics and any adverse developments affecting such educational sector could adversely affect our business, financial condition, results of operations and cash flows.*

Our loan portfolio is significantly concentrated in certain course types, primarily master's programs in science, technology, engineering, and mathematics (STEM) and master's in business administration (MBA). Set out below is a breakdown of our AUM by course, as of the dates indicated:

Course	As of March 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
	(₹ in million except percentages)					
STEM ⁽¹⁾	265,581.64	63.52	198,132.01	70.29	105,644.61	69.06
Management ⁽²⁾	117,830.03	28.18	72,676.37	25.78	41,655.13	27.23
Others ⁽³⁾	34,692.82	8.30	11,063.60	3.93	5,676.86	3.71
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

(1) STEM includes masters' programs in the science, technology, engineering and mathematics domain.

(2) Management includes MBA, post-graduate diploma programs and other management courses.

(3) Others include Master's courses other than STEM and Management.

Such sectoral concentration exposes us to risks associated with adverse developments specific to these educational sectors, including changes in employment prospects, immigration policies, or international relations that could affect students' ability to secure employment or complete their studies successfully. Additionally, potential adverse developments may include increased restrictions on student visas, reduction or termination of Optional Practical Training (OPT) opportunities, declining demand for certain STEM fields due to rapid technological changes, and shifts in industry preferences or corporate hiring practices. Any negative developments affecting these sectors could lead to increased defaults or reduced demand for loans, which may adversely affect our business operations, financial condition, profitability, and growth prospects.

27. *Our Company and certain of our Directors are involved in certain legal and other proceedings. Any adverse outcome in such proceedings may have an adverse effect on our business, reputation, results of operations, financial condition and cash flows.*

There are outstanding legal proceedings involving our Company and certain of our Directors. These proceedings are pending at different levels of adjudication before various courts. We cannot assure you that these proceedings will be decided in our favour. Brief details of material outstanding litigation that have been initiated by and against our Company and certain of our Directors, as applicable, are set forth below:

Category of individuals / entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoter, including outstanding action	Material Civil Litigation	Aggregate amount involved* (₹ in million)
Company						
By our Company	86	Nil	NA	NA	Nil	175.82
Against our Company	Nil	7	Nil	NA	Nil	38.64
Directors						
By our Directors	Nil	Nil	NA	NA	Nil	Nil
Against our Directors	2	Nil	Nil	NA	Nil	Not quantifiable
KMPs and SMPs						
By our KMPs and SMPs	Nil	NA	NA	NA	NA	Nil
Against our KMPs and SMPs	Nil	NA	Nil	NA	NA	Nil

Category of individuals / entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoter, including outstanding action	Material Civil Litigation	Aggregate amount involved* (₹ in million)
Promoter						
By our Promoter	Nil	Nil	NA	NA	Nil	Nil
Against our Promoter	Nil	Nil	Nil	Nil	Nil	Nil

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. We have not made any specific provisions in our financial statements for these matters. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which would increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.

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

We are required to comply with applicable anti-money-laundering (“AML”), counter-terrorism financing (“CTF”) and anti-terrorism laws and other regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CTF and KYC policies and procedures. Our AML, CTF and KYC policies and procedures include customer identification and verification procedures through screening processes, customer risk categorization, transaction monitoring and reporting mechanisms to detect potential instances of money laundering and terrorism financing, periodic employee training and awareness programs, and audit and compliance functions to ensure compliance with our policies and procedures. In the ordinary course of our operations, we are exposed to the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering. We may also be subject to penalties or the imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although, we have instituted internal policies, processes and systems to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation by other parties. While we have not experienced any instances of money laundering or use of our loans for illegal activities during the Financial Years 2025, 2024 and 2023, any inability on our part to detect such activities fully and on a timely basis may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation.

29. *We may be unable to protect our brand name and other intellectual property rights which are critical to our business.*

We regard our trademarks, domain names, trade secrets, technologies, brands and similar intellectual property as critical to our success. For details on our intellectual property, see “Government and other Approvals – Intellectual Property Registrations” on page 487. As of the date of this Updated Draft Red Herring Prospectus – I, we have one registered trademark, “**CREDILA**”, and two registered word marks, ‘Credila’ and ‘Credila Financial Services’. Further, our logos “**Credila**” and “**Credila**” and word mark “Credila - The Education Loan Specialist” are currently in the process of being registered under classes 35 and 36 with the Registrar of Trademarks under the Trademarks Act. There can be no assurance that we will be able to successfully obtain registration in a timely manner or at all.

Additionally, we may be unable to prevent competitors or other third parties from acquiring or using trademarks, service marks, domain names, patents 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, service marks, domain names, patents and our other intellectual property and proprietary rights. The value of our intellectual property and other proprietary rights could diminish if others assert rights in or

ownership of our intellectual property or other proprietary rights, or in trademarks or word marks that are similar to our trademarks or word marks. 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. In the instance of infringement of our intellectual property rights, we may be required to resort to legal action to protect our brand names and other intellectual property rights which may be expensive, and could cause a diversion of resources, and may not be successful, even when our rights have been infringed, misappropriated, or otherwise violated.

While we are not aware of any instances of infringement of our brand names or intellectual property rights, we may be required to resort to legal action to protect our brand names and other intellectual property rights in the event of any infringement. Any adverse outcome in such legal proceedings may impact our ability to use our brand names and other intellectual property rights in the manner in which such intellectual property is currently used, or at all, which could have an adverse effect on our business, results of operation, financial condition and cash flows.

30. *We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business and results of operations.*

We are required to obtain certain approvals, registrations, permissions and licenses from regulatory authorities, to undertake our business which may be subject to various conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. For further information on the nature of approvals and licenses required for our business, see “*Government and Other Approvals*” on page 485.

In addition, in the future we may need to apply for certain additional approvals, including the renewal of approvals, which may expire from time to time. For details in relation to validity of our licenses and registrations, see “*Government and Other Approvals*” on page 485. We cannot assure you that such approvals and licenses will be granted or renewed in a timely manner or at all or will not be withdrawn by the relevant governmental or regulatory authorities.

Failure to obtain or renew such approvals and licenses in a timely manner or a withdrawal of any of our licenses or registrations would make our operations non-compliant with applicable laws and may result in imposition of penalties by relevant authorities and may also prevent us from carrying out our business. Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

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

While we offer floating interest rate loans, the interest rates are linked to our internal reference rate, CBLR, which is calculated based on various factors such as our cost of debt, negative carry on liquid investments, operating cost, base risk premium and margin on portfolio. Borrowers with variable interest rate loans are subject to higher EMIs when interest rates are adjusted upward in line with the applicable index and margin. In such scenarios, borrowers may seek to refinance their loans through balance transfers to other banks or financial institutions to avoid the increased EMIs. While loan refinancing by other lenders may, in some cases, benefit our borrowers, it could result in a reduction in the interest income we would otherwise expect to earn over the loan’s tenure. Set out below are details of the aggregate AUM that was refinanced through balance transfers during each financial year indicated:

Particulars	Financial Year		
	2025	2024	2023
	(₹ in million, except percentages)		
Aggregate AUM of portfolios refinanced through balance transfers	652.33	80.84	70.44
AUM of portfolios refinanced through balance transfers, as a percentage of aggregate AUM at the beginning of the year (%)	0.23	0.05	0.08

As competition in the education finance sector increases, some borrowers with variable interest rate loans may seek balance transfer options or other financing alternatives. If such borrowers do secure alternative financing options, this could lead to portfolio attrition and a loss of anticipated interest income. This could negatively impact our business, financial condition, results of operations, and cash flows.

32. *Any termination or failure by us to renew the lease or leave and license agreements for our offices in an acceptable and timely manner, or at all, could adversely affect our business, results of operations, financial condition and cash flows.*

As of March 31, 2025, our Registered Office and Corporate Office and 32 physical branches are located on leased or licensed premises, none of which are owned by any Promoters, Directors, KMPs, Senior Management Personnel, their relatives or any person related directly or indirectly in any manner to our Company. The typical period for leases which are generally entered into by our Company for our branches ranges from one to nine years.

The lease or leave and license agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. While none of our lease or leave and license agreements have expired in the ordinary course of business, we are currently involved in negotiations for the renewal of some of our lease and leave and license agreements.

While we have not faced major issues renewing the leases of our branch offices in the past, if these lease and leave and license agreements are not renewed or not renewed on terms favourable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business, results of operations, financial condition and cash flows.

33. *Our inability to recover outstanding loan amounts in a timely manner in relation to our secured loans could adversely affect our business, results of operations, financial condition and cash flows.*

Our product portfolio primarily comprises of unsecured student loans and secured student loans. For our secured loans, the value of the collateral may decline during the term of the loan due to several factors, including due to adverse market conditions and the impact on the Indian economy, among others. In the event of a default, we may not be able to fully recover the outstanding loan amount by liquidating the collateral and could incur losses. As of March 31, 2025, secured loans comprised 18.88% of our AUM, with the underlying security being immovable properties and fixed deposits. For details on our non-performing assets, please see “— Our cumulative write-offs from inception until March 31, 2025 aggregated to ₹96.95 million and as of such date, we maintained a provision coverage ratio of 65.01%, Gross Stage 3 Loans of 0.19% and Net Stage 3 Loans of 0.07%. Any deterioration in the credit quality of our loans could adversely affect our business, results of operations, financial condition and cash flows.” on page 47. Also see “— 81.12% of our AUM as of March 31, 2025 was unsecured and susceptible to certain operational and credit risks, which may have an adverse effect on our business, results of operations, financial condition and cash flows” on page 47.

The enforcement of such security might also be challenging as a defaulting borrower maintains the right to appeal before the Debt Recovery Tribunal (“DRT”), which has the power to issue a stay order prohibiting the lender from taking repossession of and selling the assets of a defaulted borrower. As such, we may be unable to realize the full value of our collateral, as a result of factors including delays in the repossession proceedings. Any failure to recover the expected value of collateral security could expose us to a potential loss and adversely affect our business, results of operations, financial condition and cash flows.

34. *Negative publicity could damage our reputation and adversely affect our business and results of operations.*

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. Any negative public opinion about the financial services industry generally or the education finance industry or us specifically, could adversely affect our ability to attract and retain borrowers, raise funds from lenders and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer and lenders trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations.

Despite a higher number of loan applications processed, and more proactive repayment management and increases in foreclosure, the number of borrower complaints received in the ordinary course of business has decreased to 1,304 complaints during Financial Year 2025 (of which 1,304 were resolved, along with 7 complaints pending at the beginning of the year) from 1,636 complaints during Financial Year 2024 (of which 1,631 were resolved) and 1,560 complaints during Financial Year 2023 (of which 1,558 were resolved). Pending complaints at the end of a given financial year are closed within prescribed timelines in the month immediately following the end of such financial year. Also see “*Our Business – Description of our Business – Customer Service and Experience – Customer Complaints*” on page 238 of this Updated Draft Red Herring Prospectus – I.

Negative publicity may also arise from actual or alleged actions by us or our third-party service providers across various activities, including lending, technology services, regulatory compliance, and disclosures, as well as issues related to the sharing or inadequate protection of customer information. Further, the Company may also be subject to negative publicity arising from frauds or the rejection of loan applications, as applicants may express dissatisfaction or share unfavourable opinions on social media platforms in relation to the decisions and policies of the Company. While we have not faced any incidents of negative publicity causing any materially adverse effects on our business or reputation in the Financial Years 2025, 2024 and 2023, we may be exposed to such risks in the future.

35. *Interest rate volatility may affect borrower affordability and increase loan servicing burdens, which could increase loan defaults and adversely affect our business, results of operations, financial condition and cash flows.*

Our business operations are vulnerable to fluctuations in interest rates, which could adversely affect the affordability of loans for borrowers and increase their loan servicing obligations. 99.31% of our AUM as of March 31, 2025 comprises floating rate loans, making our borrowers susceptible to rising interest rates, potentially leading to increased monthly repayments and financial strain. Such interest rate fluctuations could negatively affect borrower repayment capability, leading to higher default rates and non-performing assets. Consequently, our business, results of operations, financial condition and cash flows may be adversely affected by changes in interest rates.

36. *A potential increase in non-performing assets due to a higher number of pending cases relating to dishonor of cheques could adversely affect our business, results of operations, financial condition and cash flows.*

We face risks arising from a potential increase in non-performing assets (“NPAs”) as a result of a higher number of pending legal proceedings related to dishonor of cheques. Under Section 138 of the Negotiable Instruments Act, 1881, cheque dishonor cases have witnessed substantial delays due to the growing backlog and congestion within the Indian judicial system. A prolonged litigation process can impede our ability to recover outstanding dues efficiently and may adversely affect our asset quality. We had 86 pending cases filed by our Company in relation to the dishonor of cheques. Also see “*Outstanding Litigation and Material Developments*” on page 478. An increase in NPAs stemming from these delays could result in higher provisioning requirements, negatively affecting our business, results of operations, financial condition and cash flows. Although we continuously monitor and manage these exposures, we cannot assure you that we will be successful in mitigating such risks entirely or recovering our dues in a timely manner.

37. ***Our non-convertible debentures and commercial paper are listed on the debt segment of BSE Limited, and we are subject to rules and regulations of the Stock Exchange and SEBI (Securities and Exchange Board of India) with respect to such listed non-convertible debentures and commercial paper. If we fail to comply with such rules and regulations, we may be subject to penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our non-convertible debentures and commercial paper are listed on the debt segment of the BSE. We are required to comply with several applicable rules and regulations, including the corporate governance provisions as specified in the SEBI Listing Regulations, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and the listing agreement entered into in respect of our non-convertible debentures and commercial paper.

While we are in compliance with the applicable laws in relation to such non-convertible debentures and commercial paper, if we fail to comply with the applicable rules and regulations in the future or default in compliance with the covenants (such as in creation of security as per terms of issue, default in payment of interest, default in redemption, default in payment of penal interest wherever applicable, or non-availability or non-maintenance of security cover), we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities. This may have an adverse effect on our business, results of operations, financial condition and cash flows.

BSE Limited had levied a fine of ₹1,000 (excluding GST) on our Company under Regulation 57(1) of the SEBI Listing Regulations with respect to a delay in intimation of the repayment obligation relating to our commercial paper during the month of November 2022. Our Company has paid the fine on January 2, 2023. For further details see “—We are required to comply with guidelines issued by regulatory authorities in India, including the Reserve Bank of India, Securities and Exchange Board of India and the Insurance Regulatory and Development Authority of India, which are evolving and may increase our compliance risks and costs” on page 53.

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

We have entered into transactions with a number of related parties, within the meaning of Indian Accounting Standard 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. While we consider that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy, applicable provisions of the Companies Act and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Set out below are details of related party transactions entered into by us during the Financial Years 2025, 2024 and 2023:

Nature of Transaction	Related Party	Nature of Relationship	Financial Year		
			2025	2024	2023
			(₹ in millions)		
Director sitting fees	Biswamohan Mahapatra	Independent Director ^S	-	3.00	2.60
Commission to Director	Biswamohan Mahapatra	Independent Director ^S	1.50	-	1.00
Bank Charges	HDFC Bank Limited	Associate of erstwhile holding company*	-	0.39	0.90
Commission received for sourcing fixed deposits	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company*	-	1.56	7.79
Commission paid on sourcing of education loans	HDFC Bank Limited	Associate of erstwhile holding company*	-	364.10	196.75
Forex Transactions	HDFC Bank Limited	Associate of erstwhile holding company*	-	-	242.37

Nature of Transaction	Related Party	Nature of Relationship	Financial Year		
			2025	2024	2023
			(₹ in millions)		
Interest on term loans	HDFC Bank Limited	Erstwhile holding company%	-	1,668.80	-
License fees for use of corporate logo	HDFC Bank Limited	Erstwhile holding company%	-	24.77	-
Loan processing fees	HDFC Bank Limited	Erstwhile holding company%	-	196.00	-
Reimbursement of expenses	HDFC Bank Limited	Erstwhile holding company%	-	27.31	-
Interest income on deposits	HDFC Bank Limited	Associate of erstwhile holding company*	-	69.47	3.01
Reimbursement of GST expenses on brand usage	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company&	-	1.64	9.34
Reimbursement of other expenses	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company&	-	0.07	0.05
Staff expenses of employees on deputation	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company&	-	0.23	14.48
Rent expenses	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company&	-	37.81	24.65
Technology support charges	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company&	-	2.53	2.62
Equity infusion	HDFC Bank Limited (Erstwhile HDFC Limited)	Erstwhile holding company&	-	7,000.00	8,000.00
Cyber security insurance premium	HDFC ERGO General Insurance Limited	Fellow subsidiary#	-	-	2.50
Directors' liability insurance premium	HDFC ERGO General Insurance Limited	Fellow subsidiary#	-	0.81	0.11
Employee's health insurance premium	HDFC ERGO General Insurance Limited	Fellow subsidiary#	-	6.49	3.50
Commission received for sourcing insurance	HDFC ERGO General Insurance Limited	Fellow subsidiary#	-	3.76	-
Employee's group term insurance premium	HDFC Life Insurance Company Limited	Fellow subsidiary#	-	0.24	1.62
Contribution to group gratuity policy	HDFC Life Insurance Company Limited	Fellow subsidiary#	-	4.50	6.29
Commission received for	HDFC Life Insurance	Fellow subsidiary#	-	414.33	31.21

Nature of Transaction	Related Party	Nature of Relationship	Financial Year		
			2025	2024	2023
			(₹ in millions)		
sourcing insurance	Company Limited				
Commission paid on sourcing of education loans	HDFC Sales Private Limited	Fellow subsidiary [#]	-	31.86	33.67
Reimbursement of stamp duty paid on shareholders' agreement dated June 19, 2023 and Investment Agreement	Kopvoorn B.V.	Holding company [^]	-	39.53	-
Director sitting fees	Madhumita Ganguli	Non-Executive Director ^{\$}	-	2.10	1.40
Director sitting fees	Rajesh Gupta	Independent director ^{\$}	-	2.10	1.10
Commission to Director	Rajesh Gupta	Independent director ^{\$}	1.50	-	1.00
Director sitting fees	Rajnish Kumar	Non-Executive Director [@]	1.40	0.10	-
Director sitting fees	Satish Kumar Pillai	Non-Executive Director ⁺	1.00	-	-
Director sitting fees	Subodh Salunke	Non-Executive Vice Chairman ⁼	-	-	0.50
Director sitting fees	Sunil Shah	Independent Director ^{\$}	-	2.80	2.10
Commission to Director	Sunil Shah	Independent Director ^{\$}	1.50	-	1.00
Director sitting fees	V S Rangan	Chairman ^{\$} ; Non-Executive Director [@]	-	1.00	3.00
Salary including perquisites and allowances ⁽¹⁾	Akanksha Kandoi	Company secretary (up to June 24, 2024)	3.90	10.44	8.28
Salary including perquisites and allowances ⁽¹⁾	Karishma Jhaveri	Company Secretary (w.e.f. September 17, 2024)	4.75	-	-
Salary including perquisites and allowances ⁽¹⁾	Arijit Sanyal	Managing Director and Chief Executive Officer	115.32	217.38	68.83
Salary including perquisites and allowances ⁽¹⁾	Manjeet P Bijlani	Chief Financial Officer	24.29	27.21	20.54
Director sitting fees	Abhijit Sen	Independent Director [@]	2.40	0.10	-
Director sitting fees	Anuranjita Kumar	Independent Director [@]	1.80	0.10	-
Director sitting fees	Bharat Shah	Independent Director [@]	1.60	0.10	-
Director sitting fees	Damodarannair Sundaram	Chairman and Independent Director [@]	2.50	0.10	-
Equity infusion	Kopvoorn B.V.	Holding company [^]	7,442.16	10,429.00	-
Total			7,605.62	20,591.73	8,692.21

* The entity has been an associate of our erstwhile holding company, HDFC Limited, until June 30, 2023.

[#] The entity has been a fellow subsidiary of our Company until March 18, 2024, by virtue of having common holding company, HDFC Bank Limited.

[&] HDFC Limited was our erstwhile holding company until June 30, 2023. Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders

and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023 and the Equity Shares held by HDFC Limited were transferred to and vested with HDFC Bank Limited.

[%] HDFC Bank was our erstwhile holding company with effect from July 1, 2023 until March 19, 2024 when HDFC Bank sold its 90.01% stake to an investor consortium of Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.

[^] Entity has been considered as the holding company with effect from March 19, 2024.

[§] The person has ceased to be a Director with effect from March 20, 2024.

[@] The person has been a Director with effect from March 20, 2024.

⁺ The person has been a Director with effect from June 28, 2024.

⁼ The person has ceased to be a Director with effect from June 28, 2022.

⁽¹⁾ Salary includes ESOP cost which is amortised as per IND AS 102.

The transactions entered into with related parties, including our Promoter, our Directors and Key Managerial Personnel, during the Financial Years 2025, 2024 and 2023, were in the ordinary course of business and on an arm's length basis and were undertaken by our Company in compliance with the applicable provisions of the Companies Act and all other applicable laws. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties.

It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into post-listing, will be subject to the Board or Shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our results of operations, financial condition and cash flows, or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

39. *Our business is exposed to risks arising from variability in borrower profiles, including socio-economic diversity and limited credit histories.*

We extend education loans to a diverse borrower base, which includes individuals from varying socio-economic backgrounds and students who may have limited or no prior credit histories. Borrowers with limited or no credit history pose challenges in accurately assessing creditworthiness, increasing the risk of defaults and non-performing assets. Socio-economic diversity among our borrowers can also result in inconsistent repayment behaviors, influenced by various external factors such as economic downturns, unemployment rates, and other macroeconomic conditions. During periods of economic stress, these borrowers may be particularly vulnerable, resulting in higher incidences of delayed repayments or defaults. Any increase in defaults due to these factors could necessitate higher provisioning, negatively affecting our asset quality, profitability, and financial condition.

40. *Some of our Directors may have interests in entities in businesses in the loans and financing sector, which may result in conflicts of interest with us.*

Some of our Directors may have interests in entities operating in the financial services sector, including as shareholders, officers, or directors of such entities. For instance,

- Ankit Singhal, a Non-Executive Director and a nominee of ChrysCapital, is a member of the board of Varthana Finance Private Limited;
- V S Rangan, a Non-Executive Director, is a member of the board of HDFC Bank Limited;
- Anuranjita Kumar, a Non-Executive Independent Director, is a member of the board of Hero Fincorp Limited; and
- Abhijit Sen, a Non-Executive Independent Director, is a member of the boards of Asirvad Micro Finance Limited and Manappuram Finance Limited.

These associations could potentially result in conflicts of interest, as decisions made by these directors in their capacity with us may be influenced by their obligations to or interests in other entities. While we have policies and procedures to address potential conflicts of interest, including adherence to applicable corporate governance requirements, we cannot assure you that these measures will prevent such conflicts from arising or adversely affecting our business, financial condition, and results of operations. For details, see "*Our*

- 41. *We rely on third party service providers for managing cloud infrastructure, application development and testing, network and branch support and SaaS based platforms. Any lapse by third party service providers engaged by us may have adverse consequences on our business and reputation.***

To enhance our underwriting capabilities, we engage third-party service providers to develop tools and integrate application programming interfaces that allow access to supplementary customer information. This includes fraud-related data, banking and investment records, PAN and Aadhaar verification, taxation data, and other KYC details in compliance with RBI guidelines. Accordingly, we are exposed to risks associated with the potential leakage of sensitive information due to cyber breaches or lapses on the part of our third-party service providers. While we have not identified any such leakages of sensitive information during the past three Financial Years, we cannot assure you that leakages will not occur in the future, which could expose us to litigation and regulatory actions and adversely affect our business, reputation, results of operations, financial condition and cash flows. Additionally, we rely on third-party service providers for managing cloud infrastructure, application development and testing, network and branch support, and SaaS-based platforms.

While we take measures to ensure our third-party service providers meet contractual obligations and maintain robust business continuity practices, there is a risk of potential lapses in the delivery of their services. While we have not encountered any defaults or lapses in delivery of service by our third-party service providers during the last three Financial Years, any significant lapses in service quality or operational issues by these providers could disrupt our operations and impact our business performance.

- 42. *We engage various external service providers to support certain business activities, including sourcing, loan processing, cross-selling activities and certain back-office services. Any lapse by the service providers engaged by us may have adverse consequences on our business and reputation.***

We engage various external vendors and service providers to support certain business activities, including sourcing, loan processing, cross-selling activities and certain back-office services. Our reliance on these vendors and service providers exposes us to several risks, including (i) the possibility that vendors or service providers may fail to fulfil their contractual obligations to us, or may face similar operational risks related to their own employees; (ii) the potential involvement of these vendors or their employees in fraud or wilful misconduct; and (iii) the risk that their business continuity and data security systems, or those of their subcontractors, may be inadequate. While we have had no instances during the Financial Years 2025, 2024 and 2023, in the event that any vendor or service provider fails to perform its obligations, or if any disruptions, negligence, lapses, fraud, defaults or breaches occur in connection with these vendors or service providers, we could be exposed to liability under applicable laws, regulations, and contractual obligations which can negatively impact our business, results of operations, financial condition and cash flows.

Our Company is required to comply with the requirements under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, which specifies regulatory and supervisory requirements and risk management practices to be complied by every NBFC before outsourcing its activities. Additionally, we are also required to comply with the Master Direction - Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023, which specifies the obligations and standards in relation to outsourcing of information technology services. The directions also require our Company to immediately notify the RBI in the event of any breach of security and leakage of confidential customer related information. Non-compliance or violations of any of such directions may result in the imposition of a penalty by the RBI. While there have been no instances of non-compliances in the past, we cannot assure you that no actions will be taken against us by the RBI in the future for any alleged contravention of these directions which could adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares. Any such instances of penalties by RBI in the future may have an adverse effect on our business and results of operations.

- 43. *We are dependent on a number of our Key Managerial Personnel and our Senior Management Personnel, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.***

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel and our Senior Management Personnel, and we rely on their inputs and experience for the development of our business and

operations. We cannot assure you that these individuals will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. For details of changes in our Key Managerial Personnel and Senior Management Personnel during the Financial Years 2025, 2024 and 2023, please see “*Our Management — Changes in the Key Managerial Personnel and Senior Management Personnel*” on page 312.

The table below sets out our employee attrition rate (calculated as total employees who left the organization in the relevant period divided by average number of employees (average of closing headcounts of employees for the all the months in the relevant year)) during the Financial Years 2025, 2024 and 2023:

Particulars	Financial Year		
	2025	2024	2023
Employee attrition rate (%)	13.73	18.95	15.10
Key Managerial Personnel* attrition rate (%)	33.33	-	-
Senior Management Personnel** attrition rate (%)	19.23	13.04	6.25

* Key Managerial Personnel – CEO, CFO and Company Secretary.

** Senior Management Personnel – Vice President and above.

This was primarily due to a number of factors including but not limited to employees pursuing career opportunities outside the organization, compensation and other personal reasons.

We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the employees that our business requires. The loss of, or inability to attract or retain such persons, may have an adverse effect on our business, results of operations, financial condition and cash flows.

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

We seek to maintain insurance coverage that is reasonably adequate to cover risks associated with the operation of our businesses. This includes the risk of fire, burglary, fidelity, personal accident, medical illness of our employees, insurance for directors and officers and, public liability, among others. The table below sets out details of our insurance coverage, written-down value of fixed assets and the percentage of total assets covered by insurance for the Financial Years 2025, 2024 and 2023:

Particulars	Financial Year		
	2025	2024	2023
Insurance coverage (₹ in million)	167.55	113.18	67.26
Gross value of assets (₹ in million)*	266.04	138.72	117.87
Percentage of insurance coverage of gross value of fixed assets (%)	62.98	81.59	57.07

* Gross value of assets include leasehold improvements, computers, office equipment, furniture and vehicles.

Our insurance policies may not provide adequate coverage in certain situations, including regulatory and compliance risks, operational risks, and financial assets that may not be insurable. Furthermore, these policies are subject to deductibles, exclusions, and coverage limits. Even if coverage applies to an incident resulting in a loss, we may be responsible for a substantial deductible, or the loss amount may exceed our policy limits. We cannot assure you that any claim we make under our insurance policies will be fully honoured, partially accepted, or paid in a timely manner, or that our coverage levels are sufficient for all potential losses. Additionally, our insurance policies expire periodically, and while we apply for renewals in the ordinary course of business, we cannot assure you that renewals will be granted on time, at acceptable cost, or at all. While we aim to complete renewal discussions prior to each policy’s expiration, premium costs may escalate if the insured amount or claim ratios increase.

During the Financial Years 2025, 2024 and 2023, we did not have any insurance claims rejected. However, to the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial condition and cash flows could be adversely affected.

45. *The overseas education loan market in India is competitive, and any inability to compete effectively with other NBFCs and established banks and financial institutions could adversely affect our business, results of operations, financial condition and cash flows.*

The education finance industry in India is competitive and our primary competitors are other NBFCs and private and public sector banks engaged in education loan financing. We may also face competition from digital fintech lenders. Banks may also be able to offer education loan financing at more competitive rates and achieve greater disbursement volumes due to the relatively higher availability of liquidity in their operations. Based on the Industry Report, this includes other NBFCs focused on education loans such as Avanse Financial Services Limited and Auxilo Finserv Private Limited. We compete with these NBFCs on the basis of several factors including our range of product offerings, our distribution network, our asset quality, fees and customer service, among other factors. According to the Industry Report, we held a market share of approximately 19.7% in the education loan market in India in terms of loans outstanding as of November 30, 2024, increasing from approximately 7% as of March 31, 2019. For further details, see also, “Our Business – Competition” and “Industry Overview – Peer Comparison” on pages 245 and 210, respectively. Further, according to the Industry Report, the overseas education loan market in India may encounter several threats that could impede our growth trajectory and stability as set out below:

- **Student Mobility Risks:** Visa restrictions and geopolitical tensions can limit the number of students pursuing education overseas, reducing the demand for overseas education loans.
- **Regulatory Risks:** Changes in immigration, post-study work policies, or tuition fee regulations in the home or host country can affect students' ability to repay loans.
- **Currency Risks:** Exchange rate fluctuations between the disbursed and repayment currencies can impact the value of repayments, adding financial risk.
- **Economic Risks:** Economic downturns in the destination country can reduce job opportunities for students, hindering their ability to repay loans.
- **Credit and Market Risks:** The dependence on students securing employment for repayment increases credit risks, while growing competition and shifting education trends can impact loan volumes.

Our continued success will depend, in part, on our ability to address the above threats, expand sourcing channels and product offerings as well as to leverage advancements in technology for future lending, and efficiently respond to changing customer needs and the emerging digital ecosystem, in a cost-effective and timely manner. Our ability to leverage advanced analytics is important to deliver correct credit selection decisions and a better customer experience. Our ability to compete effectively will also 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 borrowers while remaining competitive. 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 education finance industry. If we are unable to compete effectively, our business, results of operations, financial condition and cash flows may be adversely affected.

46. *We face increasing competition from online fintech lenders which may affect our pricing, credit underwriting practices and ability to grow our business.*

We operate in a competitive education loan financing market in India. In recent years, several online fintech lenders have entered the market, offering faster, more digitally integrated loan origination processes, customised loan products, and dynamic pricing strategies. These entities, many of which may operate with lower cost structures and advanced underwriting algorithms, may target the same borrower segments as us. Fintech lenders are increasingly leveraging data analytics and alternative credit scoring models to offer more flexible credit options and shorter turnaround times, which may appeal to digitally-savvy borrowers. In response to this competitive pressure, we may be required to reduce our interest rates or fees, invest in upgrading our technology and customer interface, or relax certain aspects of our credit assessment framework, all or any of which may adversely affect our net interest margins, risk profile and results of operations. Furthermore, increased competition may limit our ability to maintain or grow our business and may constrain our market share.

There can be no assurance that we will be able to effectively compete with such fintech lenders or adapt our strategies quickly enough to retain and attract borrowers. Any inability to respond to this evolving competitive landscape may have an adverse effect on our business, results of operations and financial condition.

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

The table below sets out our contingent liabilities (as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets), as of March 31, 2025:

Contingent Liabilities	As of March 31, 2025 (₹ in million)
GST Liability	15.35*

* During the current period, our Company has received an order from the GST department demanding ₹11.74 million for the Financial Year 2020. The Company has filed an appeal with the Appellate Authority against the order by paying GST of ₹0.57 million. During the Financial Year 2024, our Company received an order from the GST department demanding ₹3.61 million for the Financial Year 2018. We have filed an appeal with the appellate authority against the order by paying GST of ₹0.17 million. As at March 31, 2024, we had contingent liabilities of ₹3.61 million and as at March 31, 2023, we had no contingent liabilities.

In the event that any of our contingent liabilities materialize, our business, results of operations, financial condition and cash flows may be adversely affected. Moreover, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year, or in the future.

48. *We engage off-roll employees for certain business functions and any claims by such employees demanding employment status and related benefits could adversely affect our business, financial condition, results of operations and cash flows.*

We engage off-roll employees for various operational requirements, including but not limited to sales, distribution, and administrative functions. Expenses associated with off-roll employees, such as payments made to third-party staffing or contracting agencies, may fluctuate significantly based on business requirements and market conditions. Set out below are details of our off-roll employees and expenses incurred in connection with such employees as of the dates, and for the financial years, indicated:

Particulars	As of March 31,					
	2025		2024		2023	
	Number	% of total employees	Number	% of total employees	Number	% of total employees
Off-roll employees	735	49.73	653	54.42	435	48.44

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	% of total expenses	Amount (₹ in millions)	% of total expenses	Amount (₹ in millions)	% of total expenses
Outsourcing charges	379.45	1.12	289.88	1.41	187.78	1.91

Furthermore, off-roll employees could potentially claim employment status with us, demanding benefits typically reserved for our full-time employees, due to which we may incur certain unforeseen liabilities and higher costs, which could adversely affect our business, financial condition, results of operations and cash flows. Moreover, disputes or litigation involving such claims may also harm our reputation and lead to regulatory scrutiny, thereby adversely affecting our business, financial condition, results of operations and cash flows.

49. *Macroeconomic slowdowns and employment market weakness could adversely affect our borrowers' repayment capacity and accordingly, have an adverse effect on our asset quality.*

Any slowdown in the Indian or global economy or weakness in the employment market may adversely affect our borrowers' repayment capacity, resulting in higher delinquencies, provisioning requirements, and credit

losses. Our education loan portfolio is significantly exposed to borrowers whose future income depends on successful course completion and subsequent employment. In the event of a macroeconomic downturn or recession, students may face challenges securing employment post-graduation, particularly in sectors such as STEM and business management that are sensitive to economic cycles. For instance, changes in work permit regimes, tightening labour markets, or outsourcing restrictions in destination countries may limit job opportunities for international students. A sustained period of weak job creation could result in delayed repayments, increased restructuring, or defaults. Any increase in credit losses or deterioration in asset quality arising from economic stress or job market weakness could adversely affect our business, results of operations, financial condition and cash flows.

- 50. *We have included certain non-GAAP financial measures and other statistical information related to our operations in this Updated Draft Red Herring Prospectus-I. Such non-GAAP measures and statistical information may vary from standard methodologies that are used across the financial services industry and may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies.***

Certain Non-GAAP measures relating to our financial performance, such as net worth, net interest income, yield on average gross loans (%), cost of quarterly average borrowings, spread (%), EBITDA, net interest margin, average AUM, operating expenses to average total assets, credit cost to average total assets, cost to income ratio, return on total assets, return on equity, Gross Loans – Stage 3, Net Loans – Stage 3, Provision Coverage Ratio, net asset value per equity share, total borrowings, total interest-earning assets, average interest-earning assets and return on net worth presented in this Updated Draft Red Herring Prospectus-I are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these non-GAAP measures and other statistical information are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years 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, hence a direct comparison of similarly titled non-GAAP measures between companies may not be possible. Other companies may calculate the non-GAAP measures and other statistical information differently from us, limiting their utility as a comparative measure. Although the non-GAAP measures and other statistical information are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating our financial and operating performance.

- 51. *We have referred to data derived from an industry report commissioned and paid for by our Company exclusively for the purpose of the Offer.***

We have exclusively commissioned and paid for the services of independent third-party research agency, Redseer, and have relied on the Industry Report for industry related data in this Updated Draft Red Herring Prospectus-I, including in the section “*Industry Overview*” on page 170. We have no direct or indirect association with Redseer other than as a consequence of such engagement, and Redseer is not in any manner related to us, our Directors, our Promoter, our KMPs or our Senior Management Personnel.

The Industry Report is not exhaustive and is subject to certain assumptions, parameters and conditions made and identified by Redseer. Industry sources and publications are 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. While industry sources state that they take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data and any reliance on such information for making an investment decision in the Offer is subject to inherent risks. Further, the methodology of computation of our metrics included in the Industry Report may differ from the way we calculate such metrics internally. Accordingly, there may be differences between the values of the metrics presented in the Industry Report compared to the values of similarly titled metrics that we present elsewhere in this Updated Draft Red Herring Prospectus-I. Accordingly, investors should not place undue reliance or base their investment decision solely on this information. See “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data*” on page 23.

- 52. *Changing laws, rules, regulations and policies, including taxation laws, may adversely affect our***

business, results of operations, financial condition and cash flows.

The regulatory and policy environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations and policies that could affect hyperlocal commerce in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licences from the government and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. We may also be adversely affected by changes in policy initiatives or the discontinuation of tax incentives offered by the Government of India or the Reserve Bank of India.

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

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

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

However, non-resident shareholders may claim benefit of an applicable tax treaty, read with the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument), if and to the extent applicable, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of withholding tax pursuant to any corporate action including dividends. Further, the Government of India has enacted the Finance Act, 2024, pursuant to which capital gains tax rates have been amended with effect from the date of announcement of the Union Budget for the Financial Year 2025. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

implementing relaxations from certain requirements under, among others, the Central Goods and Services Tax Act, 2017 and Customs Tariff Act, 1975.

As an NBFC-ML, we are required to comply with various regulatory requirements such as the NBFC Scale Based Directions under which we are required to comply with certain compliances and conditions, including but not limited to: (i) prudential regulation; (ii) regulatory restrictions and limits; (iii) governance; (iv) fair practices; and (v) other miscellaneous instructions such as the opening of branches abroad and investment limits, among others. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

53. *The average cost of acquisition of Equity Shares of face value of ₹10 each by each of the Selling Shareholders may be less than the Offer Price.*

The weighted average cost of acquisition of Equity Shares of face value of ₹10 each by each of the Selling Shareholders may be less than the Offer Price. The details of the average cost of acquisition of Equity Shares of face value of ₹10 each held by each of the Selling Shareholders are set out below:

Name of the Shareholder	Number of Equity Shares of face value of ₹10 each held as on the date of this Updated Draft Red Herring Prospectus – I	Average cost of acquisition per Equity Share of face value of ₹10 each (in ₹)*
Kopvoorn B.V.	139,936,441	681.50
HDFC Bank Limited	17,899,005	154.03

* As certified by Mukund M Chitale & Co, Chartered Accountants, by way of certificate dated June 26, 2025.

54. *We have, in the last 12 months, issued Equity Shares at a price that could be lower than the Offer Price.*

Except as stated in “Capital Structure – Notes to Capital Structure – Share Capital History of our Company – Equity Share capital” on page 108, we have not issued Equity Shares at prices that could be lower than the Offer Price during last one year from the date of this Updated Draft Red Herring Prospectus-I. The prices at which Equity Shares have been issued by us in the last one year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares of face value of ₹10 each after listing.

55. *The bankruptcy code in India may affect our rights to recover loans from our borrowers.*

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

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor’s assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, and employee dues and unsecured financial creditors.

In cases where proceedings under the IBC are instituted against our Company’s borrowers it may affect our Company’s ability to recover our loans from such borrowers and enforcement of our Company’s rights will be subject to the IBC.

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

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants, prescribed conditions of our financing arrangements and applicable laws and regulations, including those prescribed by the RBI. Any future determination as to the declaration and payment of dividends will be in accordance with the dividend policy and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. For further details, see “*Financial Indebtedness*” on page 471.

No dividend on Equity Shares was declared by our Company during the Financial Years 2025 and 2024, and from April 1, 2025 until the date of this Updated Draft Red Herring Prospectus – I. In the Financial Year 2023, our Board recommended final dividend of ₹1.10 per Equity Share of face value of ₹10 each. However, we cannot assure you that we will be able to pay dividends in the future. For further details, see “*Dividend Policy*” on page 318.

57. *Upon listing of the Equity Shares, we may be subject to pre-emptive surveillance measures, such as the additional surveillance measures and the graded surveillance measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.*

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

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, reduction of applicable price band, requirement of settlement on gross basis, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges, limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

58. *The Equity Shares of face value of ₹10 each have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price, market capitalization to revenue from operations multiple, price to revenue from operations ratio and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.*

Our market capitalization to revenue from operations for the Financial Year 2025 multiple is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band, and our price to earnings ratio multiple for Financial Year 2025 is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band. The table below provides details of our price to earnings ratio and market

capitalization to revenue from operations at the Offer Price:

Particulars	Price to earnings ratio*	Market capitalization to revenue from operations* (₹ in million)
Financial Year 2025	[●]	[●]

* Based on the Offer Price

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Updated Draft Red Herring Prospectus-I. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

Furthermore, a decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment. Significant events affecting listed companies in the financial services sector could also lead to volatility in their share prices. Such fluctuations may also impact the valuation of our Company, reflecting in our share price performance.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue prices. For further details, see “Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs” on page 506.

59. *We have experienced negative net cash flows in the past. We cannot assure you that our net cash flows will be positive in the future.*

We have experienced negative net cash flows in the past wherein the negative cash flows from operating activities pertaining to disbursements were financed from financing activities. Our cash flows from operating activities are negative due to the inherent nature of our business, which involves the disbursement of loans through cash flows which are primarily generated from financing activities, and we cannot assure you that our net cash flows will continue to be positive in the future. Sustained negative net cash flows could adversely affect our ability to operate our business and implement our growth strategies.

EXTERNAL RISK FACTORS

Risks Related to India

60. *Political, economic or other factors that are beyond our control may have an adverse effect on our*

business and results of operations.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Further, the following external risks may have an adverse effect on our business and results of operations, should any of them materialize:

- downgrade of India's sovereign debt rating by rating agencies;
- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war;
- epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought;
- geopolitical factors may impact the immigration policies and regulations for students going overseas to study;
- changes in exchange rates of the Indian rupee against other currencies will impact disbursements;
- the macroeconomic climate, including any increase in Indian interest rates or inflation.
- 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;
- 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;
- changes in India's tax, trade, fiscal or monetary policies;
- prevailing regional or global economic conditions, including in India's principal export markets or other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- instability in financial markets;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of our Equity Shares.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition, cash flows, and the price of the Equity Shares. Conditions outside India may also contribute to a slowdown in the Indian economy or changes in India's economic policies and regulations, which could adversely affect the level of trading activity in the securities market, such as conflicts in the Middle East and the Russia-Ukraine conflict, power shortages in Europe, and rising inflation rates globally. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

61. Financial 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, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Any significant social, political or economic disruptions, or natural calamities or civil disruptions in other countries, or changes in policies, or governments in these countries could result in the loss of 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 worldwide financial instability could also have a negative impact on the Indian economy, in turn disrupting our business and operations, and 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, financial performance and the prices of Equity Shares and cash flows. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The global credit and equity markets have from time to time, experienced substantial dislocations, liquidity disruptions and market corrections. In response to such developments, legislators and financial regulators in the USA and other jurisdictions, including India, may implement a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of our Equity Shares.

62. *Restrictive immigration, visa and trade policies in foreign jurisdictions may adversely affect employment prospects and create economic volatility.*

The Indian employment and financial markets are influenced by global immigration, visa and trade policies, particularly in countries with substantial Indian expatriate populations or significant bilateral trade relationships with India. Such policies can include stringent immigration laws, limited work visas, increased visa processing timelines, or restrictive trade tariffs. These factors may reduce opportunities available to foreign nationals, leading to reduced employment prospects, lower overseas remittances, and increased unemployment pressures domestically. For instance, any significant tightening of immigration rules in jurisdictions such as the United States, the United Kingdom and Canada, where a large number of Indian nationals seek employment, could disrupt employment prospects for Indian nationals. Further, government measures to curb illegal immigration or enhance national security may result in tightened controls, delayed visa processing or limits on the issuance of student, job and other long-term visas. In addition, proposed tax reforms which could increase applicable taxes on foreign remittances from the United States could also adversely affect inflows. Restrictive trade policies could also adversely influence India's trade balance and overall economic sentiment, thereby potentially increasing volatility in the macroeconomic environment.

Certain jurisdictions have imposed or considered imposing higher tariffs, foreign enrolment quotas or limitations on permissible activities by student visa holders. Changes in U.S. or international social, political, regulatory and economic conditions and regulatory regimes, as well as any negative sentiment toward the United States or other countries as a result of such changes, could adversely affect global supply chains and accordingly, Indian workers' ability to find employment in such countries. As a result of recent trade policy changes of the Trump administration and recent U.S. government proposals, including the imposition of higher tariffs, there may be greater restrictions and economic disincentives on international trade. Such adverse developments could have an adverse effect on investor confidence, capital inflows, and employment opportunities, consequently affecting India's economic stability and growth prospects.

63. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportionate rate in order to pass costs on to our borrowers and our profits might decline.*

Inflation rates could be volatile, and we may face high inflation in the future as witnessed in the past. Increased inflation can contribute to an increase in interest rates and may also lead to a slowdown in the economy and adversely impact credit growth. High fluctuations in inflation rates may also make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our borrowers, whether entirely or in part, and the same may adversely affect our business and financial condition. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

64. *Investors may not be able to enforce a judgment of a foreign court against our Company in jurisdictions outside India.*

Our Company is incorporated under the laws of India and all our Company's assets are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if the damages are excessive or inconsistent with Indian public policy.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("CPC"). India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong. In order to be enforceable, a judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the CPC as a decree of an Indian court.

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The CPC only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action were brought in India. Moreover, it is unlikely that an Indian court will award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

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

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements

specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT which has been incorporated as the proviso to Rule 6(a) of the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy dated October 15, 2020, and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 554.

66. *Significant differences exist between Ind AS and other accounting principles, such as Indian Generally Accepted Accounting Principles (Indian GAAP), U.S. Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards, which may be material to investors' assessments of our financial condition.*

The Restated Financial Information included in this Updated Draft Red Herring Prospectus-I have been derived from our audited financial statements prepared in accordance with Ind AS and restated in accordance with the requirements of section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to Indian GAAP, IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Updated Draft Red Herring Prospectus-I and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Updated Draft Red Herring Prospectus-I will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Updated Draft Red Herring Prospectus-I should, accordingly, be limited.

67. *Rights of shareholders under Indian laws may differ from those under the laws of other jurisdictions.*

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

68. *Our ability to raise foreign debt may be constrained by Indian law.*

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

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

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any

person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The regulation also provides exemptions from open offer obligations in specific cases, such as inter-se transfers among promoters, transfers between holding and subsidiary companies, among others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of the Takeover Regulations. Further, as per the NBFC Scale Based Regulations, any takeover or acquisition of control of our Company, which may or may not result in change of management, would require a prior written permission from the RBI. For further details, see “*Other Regulatory and Statutory Disclosures*” on page 495.

70. *Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.*

India's sovereign rating is Baa3 with a “stable” outlook (Moody’s), BBB- with a “stable” outlook (S&P) and BBB- with a stable outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

Risks related to the Offer and the Equity Shares

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis for Offer Price*” on page 136 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment. The relevant financial parameters based on which the Price Band would be determined shall be disclosed in the advertisement to be issued for publication of the Price Band. For further details, see “*Basis for Offer Price*” on page 136.

Further, there can be no assurance that our key performance indicators (“**KPIs**”) be more favourable than our listed comparable industry peers in the future. An inability to improve, maintain or compete, or any reduction in such KPIs in comparison with the listed comparable industry peers may adversely affect the market price of the Equity Shares. There can be no assurance that our methodologies are correct or will not change and accordingly, our position in the market may differ from that presented in this Updated Draft Red Herring Prospectus-I. The disposal of Equity Shares by our Promoters or any of our Company’s other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares. We cannot assure you that our Promoters and other major shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Further, we cannot assure you that the

disposal of the Equity Shares in the future, if any, by our Promoters or other major shareholders will not be at a price higher than the Offer Price.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*” on page 506. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance, results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares. The Finance Act, 2019 has clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Further, the Finance Act, 2021, which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Further, pursuant to the Finance Act, 2024, capital gains tax rates have been amended with effect from the date of announcement of the Union Budget for the Financial Year 2025. Bidders are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

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

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

74. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company,

adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter, or other significant Shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 106, we cannot assure you that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future.

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

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

76. *Qualified Institutional Buyers and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares of face value of ₹10 each or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing date, but not thereafter. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders’ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation, financial condition or cash flows may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

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

SECTION III: INTRODUCTION

THE OFFER

The following table summarises the details of the Offer:

Particulars	Equity Shares offered
Offer ⁽¹⁾	Up to [●] Equity Shares of face value ₹10 each, aggregating up to ₹50,000.00 million
<i>of which:</i>	
Fresh Issue ⁽¹⁾⁽⁴⁾⁽⁸⁾	Up to [●] Equity Shares of face value ₹10 each, aggregating up to ₹30,000.00 million
Offer for Sale ⁽²⁾	Up to [●] Equity Shares of face value ₹10 each, aggregating up to ₹20,000.00 million
<i>Including</i>	
Employee Reservation Portion ⁽⁷⁾⁽⁸⁾	Up to [●] Equity Shares of face value ₹10 each, aggregating up to ₹[●] million
<i>Accordingly,</i>	
Net Offer ⁽⁷⁾	Up to [●] Equity Shares of face value ₹10 each, aggregating up to ₹[●] million
Net Offer comprises of:	
A) QIB Portion ⁽³⁾⁽⁴⁾⁽⁶⁾	Not more than [●] Equity Shares of face value ₹10 each, aggregating up to ₹[●] million
<i>of which:</i>	
a. Anchor Investor Portion	Up to [●] Equity Shares of face value ₹10 each
b. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value ₹10 each
<i>of which:</i>	
(a) Mutual Fund Portion ⁽³⁾	[●] Equity Shares of face value ₹10 each
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value ₹10 each
B) Non-Institutional Portion ⁽⁴⁾⁽⁶⁾	Not less than [●] Equity Shares of face value ₹10 each, aggregating up to ₹[●] million
<i>of which:</i>	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares of face value ₹10 each
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares of face value ₹10 each
C) Retail Portion ⁽⁶⁾	Not less than [●] Equity Shares of face value ₹10 each, aggregating up to ₹[●] million
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Updated Draft Red Herring Prospectus-I)	218,787,715 Equity Shares of face value ₹10 each
Equity Shares outstanding after the Offer	[●] equity shares of face value ₹[●] each
Utilisation of Net Proceeds	See “Object of the Offer” on page 129 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

⁸ A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) Shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

Notes:

⁽¹⁾ The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on December 24, 2024. Our Shareholders authorised the Fresh Issue vide a special resolution passed in their EGM held on December 26, 2024.

- (2) Each of the Selling Shareholders, has, severally and not jointly, authorised its respective participation in the Offer for Sale to the extent of its respective portion of the Offered Shares. The details of their respective authorisations and their Offered Shares are as follows:

Sr. No.	Name of the Selling Shareholder	Offered Shares	Date of the consent letter to participate in the Offer for Sale	Date of corporate action / board resolution / committee of the board resolution / authorisation letter
Selling Shareholders				
1.	Kopvoorn B.V.	Up to [●] equity shares of face value of ₹10 each aggregating up to ₹ 9,500.00 million	December 23, 2024	December 20, 2024
2.	HDFC Bank Limited	Up to [●] equity shares of face value of ₹10 each aggregating up to ₹ 10,500.00 million	June 5, 2025	December 21, 2024

The Fund Raising Committee has taken on record the consents for participation in the Offer for Sale by the Selling Shareholders to the extent of their respective portion of the Offered Shares pursuant to its resolutions dated December 26, 2024. Subsequently, the Board has taken on record the revised consent for participation in the Offer for Sale by the HDFC Bank Limited pursuant to its resolution dated June 9, 2025. For further details, see “Other Regulatory and Statutory Disclosures” on page 495.

- (3) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see “Offer Procedure” on page 530.
- (4) Subject to valid Bids being received at or above the Offer Price, undersubscription in any portion except the QIB Portion, would be allowed to be met with spill over from any other category, or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the balance valid Bids will be made proportionately towards Fresh Issue and the Offered Shares.
- (5) Subject to valid Bids being received at, or above, the Offer Price.
- (6) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor 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 details, see “Offer Procedure” on page 530. The allocation to each Non-Institutional Investor shall not be less than the minimum Non-Institutional Investor 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. Further, (a) 1/3rd of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million and (b) 2/3rd of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors.
- (7) The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million, however, an Eligible Employee may submit a Bid for a maximum Bid Amount of ₹0.50 million under the Employee Reservation Portion. Only in the event of an undersubscription in the Employee Reservation Portion, the unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million. The unsubscribed portion if any, in the Employee Reservation Portion (after allocation up to ₹0.50 million), shall be added back to the Net Offer.
- (8) Our Company, in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share, which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
- (9) In the event of under-subscription in the Offer, the Equity Shares will be allocated for Allotment in the following order:
- Such number of Equity Shares will first be Allotted by our Company such that 100% of the Fresh Issue portion is subscribed; and
 - Upon Allotment pursuant to (a), the Equity Shares remaining, if any, will then be Allotted under the Offer for Sale in proportion to the Offered Shares being offered by the Selling Shareholders.

For details in relation to the terms of the Offer, see “Terms of the Offer” on page 517 For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on pages 525 and 530, respectively.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto, and “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 328 and 439, respectively.

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Annexure I - Restated Statement of Assets and Liabilities

Particulars	Note (Annexure VI)	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	26,666.27	14,710.90	4,173.48
(b) Bank balances other than cash and cash equivalents	5	13,379.15	6,529.01	1,007.17
(c) Derivative financial instruments	6	749.48	288.22	164.78
(d) Trade receivables	7	219.94	203.65	14.38
(e) Loans	8	414,693.08	280,832.16	152,389.01
(f) Investments	9	23,781.35	11,253.51	5,919.90
(g) Other financial assets	10	464.90	556.32	28.62
Total financial assets		479,954.17	314,373.77	163,697.34
2. Non-financial assets				
(a) Current tax assets (net)	11	0.02	36.21	22.81
(b) Deferred tax assets (net)	12	267.74	300.82	313.73
(c) Property, plant and equipment	13	770.22	409.66	223.20
(d) Capital work in progress	13	36.41	45.20	-
(e) Intangible assets	13	324.12	16.17	0.16
(f) Intangible assets under development	13	157.51	304.34	113.81
(g) Other non-financial assets	14	434.85	173.52	89.38
Total non-financial assets		1,990.87	1,285.92	763.09
Total assets		481,945.04	315,659.69	164,460.43
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial liabilities				
(a) Derivative financial instruments	6	701.42	620.64	744.01
(b) Payables				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	15	2.99	2.57	1.86
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	532.08	261.89	204.33
(c) Debt securities	16	59,363.04	42,007.40	35,240.07
(d) Borrowings (other than debt securities)	17	313,845.33	201,972.50	88,627.36
(e) Subordinated liabilities	18	15,481.77	16,348.37	12,684.78
(f) Other financial liabilities	19	3,841.70	2,710.26	1,998.37
Total financial liabilities		393,768.33	263,923.63	139,500.78
2. Non-financial liabilities				
(a) Current tax liabilities (net)	20	88.89	-	50.68
(b) Provisions	21	162.20	118.98	74.93
(c) Other non-financial liabilities	22	980.56	1,183.44	483.12
Total non-financial liabilities		1,231.65	1,302.42	608.73
Total liabilities		394,999.98	265,226.05	140,109.51
EQUITY				
(a) Equity share capital	23	2,187.88	1,791.69	1,478.00
(b) Other equity	24	84,757.18	48,641.95	22,872.92
Total equity		86,945.06	50,433.64	24,350.92
Total liabilities and equity		481,945.04	315,659.69	164,460.43

The above Restated Statement of Assets and Liabilities should be read in conjunction with Annexure V - Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information and Annexure VI - Statement of adjustments to the audited financial statements

Annexure II - Restated Statement of Profit and Loss

Particulars	Note (Annexure V)	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
I. Revenue from operations				
(a) Interest income	25	44,666.07	26,209.91	13,158.40
(b) Fees and commission income	26	2,185.75	1,189.29	292.29
(c) Net gain on fair value changes	27	279.65	311.19	71.05
(d) Net gain on derecognition of financial instruments under amortised cost		65.84	-	-
Total revenue from operations		47,197.31	27,710.39	13,521.74
II. Other income		62.69	0.02	0.02
III. Total income (I + II)		47,260.00	27,710.41	13,521.76
IV. Expenses				
(a) Finance costs	28	28,934.43	17,310.23	8,132.77
(b) Impairment on financial instruments	31	1,465.42	497.85	101.05
(c) Employee benefit expense	29	1,579.41	1,469.38	874.39
(d) Depreciation and amortisation	13	240.36	114.16	67.87
(e) Other expenses	30	1,780.67	1,235.12	643.61
Total expenses		34,000.29	20,626.74	9,819.69
V. Restated Profit before Tax (III - IV)		13,259.71	7,083.67	3,702.07
Tax expense				
- Current tax		3,275.07	1,819.70	1,063.22
- Deferred Tax	12	85.06	(24.42)	(120.40)
VI. Total tax expense		3,360.13	1,795.28	942.82
VII. Restated Net profit after tax (V - VI)		9,899.58	5,288.39	2,759.25
Other comprehensive income/(loss)				
(a) Items that will not be reclassified to profit or loss				
- Remeasurement of the defined benefit plans		(11.91)	(5.54)	(3.15)
- Income tax relating to the above item that will not be reclassified to profit or loss		3.00	1.39	0.79
(b) Items that will be reclassified to profit or loss				
- Cash flow hedge reserves		(798.26)	68.32	38.96
- Income tax relating to the above item that will be reclassified to profit or loss		200.91	(17.20)	(9.87)
- Fair value of investments		165.52	59.26	(34.78)
- Income tax relating to the above item that will be reclassified to profit or loss		(41.66)	(14.95)	8.75
VIII. Restated Other comprehensive income/(loss)		(482.40)	91.28	0.70
IX. Restated Total comprehensive income (VII + VIII)		9,417.18	5,379.67	2,759.95
X. Restated Earnings per equity share:				
(a) Basic (in ₹)	34	47.80	33.83	20.56
(b) Diluted (in ₹)	34	47.69	33.81	20.47
(c) Face value per share (in ₹)		10.00	10.00	10.00

The above Restated Statement of Profit and Loss should be read in conjunction with Annexure V - Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information and Annexure VI - Statement of adjustments to the audited financial statements

Annexure IV - Restated Statement of cash flows

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from Operating activities			
Restated Profit before tax	13,259.71	7,083.67	3,702.07
<i>Adjustments to reconcile profit before tax to net cash flows :</i>			
Depreciation & amortisation	240.36	114.16	67.87
Impairment on financial instruments	1,465.42	497.85	101.05
(Profit)/loss on property, plant and equipment sold/discarded	0.62	0.99	(0.02)
Interest income	(44,666.07)	(26,209.91)	(13,158.40)
Interest expense	28,841.99	17,280.25	8,114.11
Provision for employee benefits	37.04	7.30	3.80
Employee share based payments expense	101.60	113.50	117.16
Net gain on fair value changes	(279.65)	(311.19)	(71.05)
Net gain on derecognition of financial instruments	(65.84)	-	-
	(1,064.82)	(1,423.38)	(1,123.41)
Cash inflow towards interest received	21,145.85	12,220.67	7,346.02
Cash outflow towards interest paid	(26,260.23)	(15,986.74)	(6,923.63)
Cash inflow/(outflow) from derivative financial instruments	160.50	-	(90.53)
Cash (utilised in) / generated from operations before working capital changes	(6,018.70)	(5,189.45)	(791.55)
Working capital changes			
(Increase) / Decrease in financial assets and non financial assets	(98.82)	(785.75)	(53.92)
Increase / (Decrease) in financial and non financial liabilities	370.92	836.84	353.84
Net cash from Operations	(5,746.60)	(5,138.36)	(491.63)
Loans disbursed (net)	(112,441.10)	(115,243.05)	(58,845.31)
(Investment)/Redemption in/from cash management schemes of mutual funds (net)	(1,552.19)	2,056.55	(1,209.66)
Income tax paid (net of refunds)	(3,037.21)	(1,839.80)	(1,023.74)
Net cash flows from/(used in) operating activities	(122,777.10)	(120,164.66)	(61,570.34)
B. Cash flow from Investing activities			
Investments (net)	(16,771.69)	(12,255.49)	(3,694.10)
Purchase of property, plant and equipment and intangible assets	(354.14)	(286.45)	(150.28)
Proceeds from sale of property, plant and equipment	0.06	0.03	0.03
Net cash flows from/(used in) investing activities	(17,125.77)	(12,541.91)	(3,844.35)
C. Cash flow from Financing activities			
Proceeds from issue of equity shares (including securities premium)	26,990.14	20,715.00	7,999.97
Debt securities & subordinated liabilities issued	46,657.60	39,377.92	38,661.99
Debt securities & subordinated liabilities repaid	(32,000.00)	(29,750.00)	(18,000.00)
Borrowings (other than debt securities) taken	156,022.84	128,855.90	59,464.54
Borrowings (other than debt securities) repaid	(45,708.79)	(15,693.51)	(18,622.37)
Lease payments	(103.55)	(98.74)	(57.19)
Dividend paid	-	(162.58)	(131.80)
Net cash flows from/(used in) financing activities	151,858.24	143,243.99	69,315.14
Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,955.37	10,537.42	3,900.45
Cash and cash equivalents at the beginning of the year	14,710.90	4,173.48	273.03
Cash and cash equivalents at the end of the year *	26,666.27	14,710.90	4,173.48
* Components of cash and cash equivalents			
Balances with bank			
- In current accounts	203.13	175.91	108.11
- In deposits accounts having original maturity less than 3 months	26,463.14	14,534.99	4,065.37
	26,666.27	14,710.90	4,173.48

Note:

1. The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

2. Acquisition of ROU assets, being non cash item is not included in Statement of Cash flows above. Refer note no 19.1 - Leases

The above Restated statement of cash flows should be read in conjunction with Annexure V - Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information and Annexure VI - Statement of adjustments to the audited financial statements

GENERAL INFORMATION

Our Company was incorporated as “*Credila Financial Services Private Limited*”, a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation dated February 1, 2006 by the Registrar of Companies. Our Company’s name was changed from “*Credila Financial Services Private Limited*” to “*HDFC Credila Financial Services Private Limited*” by a Special Resolution at the Extraordinary General Meeting held on January 16, 2017, and the Registrar of Companies issued a fresh certificate of incorporation on February 19, 2017 pursuant to the change in the name of the Company. Further, pursuant to a special resolution passed by our Shareholders at the Annual General Meeting dated July 29, 2020, the name of our Company was changed from “*HDFC Credila Financial Services Private Limited*” to “*HDFC Credila Financial Services Limited*” due to conversion of our Company from a private limited company to a public limited company, and the Registrar of Companies issued a fresh certificate of incorporation on October 08, 2020 pursuant to the conversion of the Company from a private limited company to a public limited company. Furthermore, pursuant to a special resolution passed by our Shareholders at the Annual General Meeting dated September 5, 2024, the name of our Company was changed from “*HDFC Credila Financial Services Limited*” to “*Credila Financial Services Limited*”, and the Office of the Central Processing Centre issued a fresh certificate of incorporation on October 21, 2024 pursuant to the change in the name of the Company.

Registered Office

The address of our Registered Office is as set forth below:

Credila Financial Services Limited (Formerly known as HDFC Credila Financial Services Limited)
B - 301, Citi Point,
Next to Kohinoor Continental,
Andheri- Kurla Road, Andheri (East),
Mumbai – 400 059,
Maharashtra, India.

Corporate Office

The address of our Corporate Office is as set forth below:

Credila Financial Services Limited (Formerly known as HDFC Credila Financial Services Limited)
701, Windsor House,
CST Road, Kalina,
Santacruz (East),
Mumbai – 400 098,
Maharashtra, India.

For details pertaining to changes in the address of our registered office, see “*History and Certain Corporate Matters – Changes in our Registered Office*” on page 274.

Company Registration Number and Corporate Identity Number

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

- a. **Registration number:** 159411
- b. **Corporate identity number:** U67190MH2006PLC159411

Registrar of Companies

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

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

Board of Directors

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

Name	Designation	DIN	Address
Damodarannair Sundaram	Chairman and Non-executive Independent Director	00016304	1191, Tower 1, Embassy Lake Terrace, Bellary Road, Kempapura Hebbal, Bangalore North, PO: H.a. Farm, Bengaluru – 560 024, Karnataka
Arijit Sanyal	Managing Director and Chief Executive Officer	08386684	1703, Tower D, Ashok Towers, Dr. Babasaheb Ambedkar Marg, Parel, Mumbai – 400 012, Maharashtra
Abhijit Sen	Non-executive Independent Director	00002593	A92, Grand Paradi, 572 Dadyseth Hill, August Kranti Marg, Near Kems Corner, Mumbai – 400 036, Maharashtra
Bharat Dhirajlal Shah	Non-executive Independent Director	00136969	21 Hill Park, Bldg No. 2, A.G. Bell Marg, Malabar Hill, Mumbai – 400 006, Maharashtra
Anuranjita Kumar	Non-executive Independent Director	05283847	W30074, Wellington Estate DLF Phase-5 Gurugram – 122 009, Haryana
V S Rangan ^{&}	Non-executive Director	00030248	Flat No. C-1003, Ashok Towers, Dr. Babasaheb Ambedkar Marg, Parel, Mumbai – 400 012, Maharashtra
Ashish Agrawal [#]	Non-executive Director	00163344	D 3403, Ashok Towers, Dr. SS Rao Road, Opposite Gandhi Hospital, Parel, Mumbai – 400 012, Maharashtra
Jimmy Mahtani [#]	Non-executive Director	00996110	1 Chatsworth Road, 20 th Floor, Unit 23, Singapore – 249 745
Rajnish Kumar [#]	Non-executive Director	05328267	F-202 Ambience Caitriona, Near Ambience mall, Sector 24, DLF Phase-III, Gurgaon – 122 010, Haryana
Satish Kumar Pillai [#]	Non-executive Director	03511106	402-A, Serenity, 2 nd Hasnabad Lane, Santacruz West, Mumbai – 400 054, Maharashtra
Seung Hyo Han [^]	Non-executive Director	10686686	309-dong 2602-ho, Samseong-ro 11, Gangnamgu, Seoul, Republic of Korea
Ankit Singhal [*]	Non-executive Director	09776472	B-1302, Meera CHS, Off Link Road near Oshiwara Police Station, Jogeshwari West, Mumbai – 400 102, Maharashtra

[#] Nominee of Kopvoorn B.V.

^{*} Nominee of Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.

[^] Nominee of Shinhan Bank.

[&] Nominee of HDFC Bank Limited.

For further details of our Board of Directors, see “Our Management” on page 280.

Company Secretary and Compliance Officer

Karishma Jhaveri is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Karishma Jhaveri

Address: 701, Windsor House, CST Road, Kalina, Santacruz (East), Mumbai – 400 098

Maharashtra, India

Tel.: +91 22 6996 9300

E-mail: investor.relations@credila.com

Book Running Lead Managers

Axis Capital Limited

1st Floor, Axis House
P.B. Marg Worli
Mumbai – 400 025
Maharashtra, India

Citigroup Global Markets India Private Limited

1202, 12th Floor, First International Financial Centre
G – Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 098
Maharashtra, India

E-mail: credila.ipo@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Pratik Pednekar
SEBI Registration No.: INM000012029

E-mail: credilaipo@citi.com
Investor Grievance E-mail: investors.cgmb@citi.com
Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Dylan Jude Fernandes
SEBI Registration No.: INM000010718

Goldman Sachs (India) Securities Private Limited
 951-A, Rational House,
 Appasaheb Marathe Marg
 Prabhadevi, Mumbai – 400 025
 Maharashtra, India
Email: gs-credila@gs.com
Investor Grievance E-mail: india-client-support@gs.com
Website: www.goldmansachs.com
Contact Person: Sumedha Srinivasan
SEBI Registration No.: INM000011054

IIFL Capital Services Limited (formerly known as “IIFL Securities Limited”)
 24th Floor, One Lodha Place
 Senapati Bapat Marg, Lower Parel (West)
 Mumbai – 400 013
 Maharashtra, India
Email: credilafsl.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Dhruv Bhavsar / Pawan Kumar Jain
SEBI Registration No.: INM000010940

Jefferies India Private Limited
 Level 16
 Express Towers
 Nariman Point
 Mumbai – 400 021
 Maharashtra, India
Email: Credila.IPO@jefferies.com
Investor Grievance E-mail: jipl.grievance@jefferies.com
Website: www.jefferies.com
Contact Person: Suhani Bhareja
SEBI Registration No.: INM000011443

Statement of *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	BRLMs	Axis
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Axis
3.	Drafting and approval of all statutory advertisements.	BRLMs	Axis
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	BRLMs	IIFL
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries.	BRLMs	IIFL
6.	Preparation of road show presentation.	BRLMs	Jefferies
7.	Preparation of FAQs.	BRLMs	Citi
8.	International Institutional marketing (Asia) of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule. 	BRLMs	Jefferies

S. No.	Activity	Responsibility	Coordinator
9.	International Institutional marketing (Europe) of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule. 	BRLMs	GS
10.	International Institutional marketing (Rest of the World excluding Asia and Europe) of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule. 	BRLMs	Citi
11.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule. 	BRLMs	Axis
12.	Retail and Non-Institutional marketing of the Offer, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> • Finalising media, marketing and public relations strategy including list of frequently asked questions at roadshows; • Finalising centres for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres. 	BRLMs	IIFL
13.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, anchor coordination, anchor CAN and intimation of anchor allocation.	BRLMs	Citi
14.	Managing the book and finalization of pricing in consultation with the Company and Selling Shareholder.	BRLMs	GS
15.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI.	BRLMs	IIFL

Legal counsel to our Company as to Indian Law

Khaitan and Co

Embassy Quest
3rd Floor, 45/1 Magrath Road
Bengaluru – 560 025
Karnataka, India
Email: credila.ip@khaitanco.com

International Legal Counsel to the Company

Sidley Austin Singapore Pte. Ltd.

Level 31, Six Battery Road
Singapore 049 909
Email: IndiaCapitalMarkets@sidley.com

Registrar to the Offer

KFin Technologies Limited,
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana, India
Tel: +91 40 67162222/18003094001
Email: cfsi.ipo@kfintech.com
Website: www.kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Banker(s) to the Offer**Escrow Collection Bank(s)**

[•]

Public Offer Account Bank(s)

[•]

Refund Bank(s)

[•]

Sponsor Bank(s)

[•]

Syndicate Members

[•]

Designated Intermediaries***Self-Certified Syndicate Banks***

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and for a list of the Designated SCSB Branches with which a UPI Bidder may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>, or at such other websites, as may be prescribed by SEBI from time to time.

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

In accordance with SEBI ICDR Master Circular and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders may only apply through the SCSBs and mobile applications using the names of UPI handles specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively. A list

of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate Self-Certified Syndicate Banks Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and email address, is provided on the websites of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10> and the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

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

Experts

Except as stated below, our Company has not obtained any expert opinions in connection with this Updated Draft Red Herring Prospectus-I:

Our Company has received the written consent dated June 26, 2025 from our Joint Statutory Auditors, namely, Price Waterhouse LLP, Chartered Accountants and Gokhale & Sathe, Chartered Accountants, respectively, to include their names as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their examination report dated June 9, 2025 on the Restated Financial Information, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I. A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the U.S. Securities Act, the Statutory Auditors have not given consent under Section 7 of the U.S. Securities Act. In this regard, the Joint Statutory Auditors have given consent to be referred to as "experts" in this Updated Draft Red Herring Prospectus-I in accordance with the requirements of the Companies Act, 2013. The term "experts" as used in this Updated Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act. The reference to the Joint Statutory

Auditors as “experts” in this Updated Draft Red Herring Prospectus-I is not made in the context of the U.S. Securities Act but solely in the context of the Offer in India.

Our Company has received the written consent dated June 26, 2025 from one of our Joint Statutory Auditors, M/s. Gokhale & Sathe, Chartered Accountants, to include its name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditor, and in respect of their report dated June 9, 2025 on the statement of possible special tax benefits available to the Company and its Shareholders, in this Updated Draft Red Herring Prospectus-I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.

Our Company has received the written consent dated June 26, 2025 from our Previous Statutory Auditor, Shah Gupta & Co, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Previous Statutory Auditor, and in respect of their examination report dated June 9, 2025 on our Restated Financial Information, in this Updated Draft Red Herring Prospectus-I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.

Our Company has received a written consent dated June 26, 2025 from Mukund M. Chitale & Co., Independent Chartered Accountants bearing firm registration number 106655W, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under Section 2(38) of Companies Act 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.

Joint Statutory Auditors to our Company

Price Waterhouse LLP, Chartered Accountants

252, Veer Savarkar Marg
Shivaji Park, Dadar West
Mumbai – 400 028
Maharashtra, India
E-mail: sharad.agarwal@pwandaffiliates.com
Tel.: +91 22 6669 1500
Firm registration number: 301112E/E300264
Peer review number: 015949

Gokhale and Sathe, Chartered Accountants

304/308/309, Udyog Mandir No.1
Bhagoji Keer Marg, Mahim
Mumbai – 400016
Maharashtra, India
E-mail: office@gokhalesathe.in / rahul@gokhalesathe.in
Tel.: +91 2243484242
Firm registration number: 103264W
Peer review number: 016321

Except as disclosed below, there has been no change in the auditors of our Company during the three years preceding the date of this Updated Draft Red Herring Prospectus-I:

Particulars	Date of change	Reason for change
Price Waterhouse LLP, Chartered Accountants 252, Veer Savarkar Marg Shivaji Park, Dadar West Mumbai – 400 028 Maharashtra, India E-mail: sharad.agarwal@pwandaffiliates.com Tel.: +91 22 6669 1500	October 30, 2024	Appointment as one of the Joint Statutory Auditors

Particulars	Date of change	Reason for change
Firm registration number: 301112E/E300264 Peer review number: 015949		
Gokhale and Sathe, Chartered Accountants 304/308/309, Udyog Mandir No.1 Bhagoji Keer Marg, Mahim Mumbai – 400016 Maharashtra, India E-mail: office@gokhalesathe.in / rahul@gokhalesathe.in Tel.: +91 22 43484242 Firm registration number: 103264W Peer review number: 016321	June 6, 2023	Appointment as one of the Joint Statutory Auditors
M/s Shah Gupta and Co 38, Bombay Mutual Building, 2nd Floor, Dr. D.N. Road, Fort, Mumbai – 400 001 Maharashtra, India E-mail: contact@shahgupta.com Tel.: 22622000 Firm registration number: 109574W Peer review number: 019101	September 5, 2024	Completion of term

Bankers to our Company

HDFC Bank Limited

Unit No. 401 & 402
4th Floor, Tower B
Peninsula Business Park, Lower Parel
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 3395 8055
Contact Person: Akshat Tandon
Website: www.hdfcbank.com
Email ID: Akshat.tandon@hdfcbank.com

Grading of the Offer

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

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Monitoring Agency

Our Company shall, in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilization of the Gross Proceeds from the Fresh Issue prior to the filing of the Red Herring Prospectus. For details in relation to the proposed utilisation of the Net Proceeds, see the section titled “*Object of the Offer*” on page 129.

Credit Rating

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

Debenture Trustee

As the Offer is of Equity Shares, the appointment of debenture trustee is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of this Updated Draft Red Herring Prospectus-I

A copy of the Pre-filed Draft Red Herring Prospectus and a copy of this Updated Draft Red Herring Prospectus - I have been uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 59(C)(1) of the SEBI ICDR Regulations and pursuant to the SEBI ICDR Master Circular.

A copy of the Pre-filed Draft Red Herring Prospectus and a copy of this Updated Draft Red Herring Prospectus - I will also be filed 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

Filing of the Red Herring Prospectus and the Prospectus

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the Registrar of Companies at its office and through the electronic portal of MCA at www.mca.gov.in/mcafoportal/loginvalidateuser.do. For details of the address, see “- *The Registrar of Companies, Maharashtra at Mumbai*” on page 95.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders 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 size will be decided by our Company, in consultation with the BRLMs, and will be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansata, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date. For details, see “*Offer Procedure – Book Building Procedure*” on page 531.

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

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted 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 subject to the Bid Amount being up to ₹0.20 million, and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis, subject to valid Bids received at or above the Offer Price, while allocation to Anchor Investors will be on a discretionary basis. For further details, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 517 and 530, respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

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

Bidders should note that the Offer 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, an illustration of the Book Building Process and the price discovery process see “*Terms of the Offer*” and “*Offer Procedure*” on pages 517 and 530, respectively.

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, nonreceipt of refund orders or non-receipt of funds by electronic mode, etc.

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

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

The Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned above.

Underwriting Agreement

Prior to the filing of the Prospectus with the RoC, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares of face value ₹10 each proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares of face value ₹10 each:

(The Underwriting Agreement, by and amongst the Company, Selling Shareholders and the Underwriters, has not been executed as on the date of this Updated Draft Red Herring Prospectus-I. This portion has been intentionally left blank and will be filled in before filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable)

Name, address, telephone number and email of the Underwriters	Indicative number of Equity Shares of face value of ₹10 each to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
Total		

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and actual allocation in accordance with the SEBI ICDR Regulations and will be subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act read with the SEBI Merchant Bankers Regulations or registered as brokers with the Stock Exchange(s). Our Board/Fund Raising Committee, 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 commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares of face value of ₹10 each allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscription for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

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

(in ₹, except share data or indicated otherwise)

	Particulars	Aggregate value at face value	Aggregate value at Offer Price**
A	AUTHORIZED SHARE CAPITAL		
	300,000,000 Equity Shares of face value ₹10 each	3,000,000,000	-
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	218,787,715 Equity Shares of face value ₹10 each	2,187,877,150	
C	PRESENT OFFER IN TERMS OF THIS UPDATED DRAFT RED HERRING PROSPECTUS-I		
	Offer of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹50,000.00 million ⁽¹⁾ comprising of:	[●]	[●]
	i. Fresh Issue of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹30,000.00 million ^{(1) (3)}	[●]	[●]
	ii. Offer for Sale of up to [●] Equity Shares of face value ₹10 each by the Selling Shareholders aggregating up to ₹20,000.00 million ^{(1) (2)}	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹[●] million ⁽⁴⁾	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹[●] million	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value ₹10 each**	[●]	[●]
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer (in ₹ million)		59,198.49
	After the Offer**		[●]

** To be updated upon finalization of the Offer Price and subject to Basis of Allotment.

- ⁽¹⁾ The Offer has been authorized by a resolution of our Board dated December 24, 2024 and the Fresh Issue has been authorised by a resolution of our Shareholders dated December 26, 2024. Further, each of the Selling Shareholders has authorized their respective participation in the Offer for Sale in relation to their respective portion of Offered Shares pursuant to their respective consent letters and the Fund Raising Committee has taken on record such consents/authorisations of the Selling Shareholders by a resolution dated December 26, 2024. Subsequently, the Board has taken on record the revised consent for participation in the Offer for Sale by the HDFC Bank Limited pursuant to its resolution dated June 9, 2025. For further details of consents and authorisations of the Selling Shareholders in relation to the Offered Shares and the Offer, see "Other Regulatory and Statutory Disclosures – Approval from the Selling Shareholders" on page 495.
- ⁽²⁾ Each of the Selling Shareholder, severally and not jointly, confirms that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 read with Regulation 59B of the SEBI ICDR Regulations.
- ⁽³⁾ A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) Shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

- ⁽⁴⁾ *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹0.50 million net of Employee Discount), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.*

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Notes to the Capital Structure

1. Share capital history of our Company

i. Equity share capital

The following table sets forth the history of the equity share capital of our Company:

Primary issuances of Equity Shares

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
February 1, 2006 [^]	10,000	10.00	10.00	Cash	Subscription to the Memorandum of Association	Name of allottee	Equity Shares allotted	10,000	100,000
						Ajay Bohora	5,000		
						Anil Bohora	5,000		
December 15, 2006	1,990,000	10.00	10.00	Cash	Further issue	Name of allottee	Equity Shares allotted	2,000,000	20,000,000
						Ajay Bohora	995,000		
						Anil Bohora	995,000		
January 15, 2008	7,970,000	10.00	10.00	Cash	Further issue	Name of allottee	Equity Shares allotted	9,970,000	99,700,000
						Ajay Bohora	3,985,000		
						Anil Bohora	3,985,000		
January 15, 2008	1,500,000	10.00	10.00	Cash	Conversion of unsecured loan into Equity Shares	Name of allottee	Equity Shares allotted	11,470,000	114,700,000
						Ajay Bohora	750,000		
						Anil Bohora	750,000		
April 15, 2009	3,955,335	10.00	20.15	Cash [#]	Conversion of 3,955,335 CCPS - Round I into Equity Shares	Name of allottee	Equity Shares allotted	15,425,335	154,253,350
						DSP Merrill Lynch Capital Limited	3,955,335		
May 19, 2010	3,955,335	10.00	20.15	Cash	Conversion of 3,955,335 OCSDs into Equity Shares	Name of allottee	Equity Shares allotted	19,380,670	193,806,700
						HDFC Bank Limited [*]	3,955,335		

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
July 9, 2010	4,028,000	10.00	10.00	Cash	Preferential issue	Name of allottee	Equity Shares allotted	23,408,670	234,086,700
						HDFC Bank Limited*	4,028,000		
September 14, 2010	7,000,000	10.00	10.00	Cash	Further issue	Name of allottee	Equity Shares allotted	30,408,670	304,086,700
						HDFC Bank Limited*	7,000,000		
June 1, 2013	12,000,000	10.00	10.00	Cash**	Conversion of 12,000,000 CCPS - Round I each into Equity Shares	Name of allottee	Equity Shares allotted	42,408,670	424,086,700
						HDFC Bank Limited*	12,000,000		
June 1, 2013	3,000,000	10.00	10.00	Cash**	Conversion of 3,000,000 CCPS - Round II into Equity Shares	Name of allottee	Equity Shares allotted	45,408,670	454,086,700
						HDFC Bank Limited*	3,000,000		
June 1, 2013	8,333,333	10.00	10.00	Cash**	Conversion of 10,000,000 CCPS - Round III into Equity Shares	Name of allottee	Equity Shares allotted	53,742,003	537,420,030
						HDFC Bank Limited*	8,333,333		
August 12, 2016	2,000,000	10.00	50.00	Cash	Rights issue ⁽¹⁾	Name of allottee	Equity Shares allotted	55,742,003	557,420,030
						HDFC Bank Limited*	2,000,000		
March 30, 2017	5,000,000	10.00	90.00	Cash	Rights issue ⁽²⁾	Name of allottee	Equity Shares allotted	60,742,003	607,420,030
						HDFC Bank Limited*	5,000,000		
July 31, 2017	1,370,600	10.00	109.44	Cash	Rights issue ⁽³⁾	Name of allottee	Equity Shares allotted	62,112,603	621,126,030
						HDFC Bank Limited*	1,370,600		
March 28, 2018	2,413,800	10.00	145.00	Cash	Rights issue ⁽⁴⁾	Name of allottee	Equity Shares allotted	64,526,403	645,264,030
						HDFC Bank Limited*	2,413,800		
July 28, 2018	4,494,383	10.00	178.00	Cash	Rights issue ⁽⁵⁾	Name of allottee	Equity Shares allotted	69,020,786	690,207,860
						HDFC Bank Limited*	4,494,383		

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
May 10, 2019	4,166,660	10.00	12.00	Cash**	Conversion of 4,999,992 CCPS - Round IV into Equity Shares	Name of allottee	Equity Shares allotted	73,187,446	731,874,460
						HDFC Bank Limited*	4,166,660		
May 10, 2019	3,846,150	10.00	13.00	Cash**	Conversion of 4,999,995 CCPS - Round V into Equity Shares	Name of allottee	Equity Shares allotted	77,033,596	770,335,960
						HDFC Bank Limited*	3,846,150		
July 6, 2019	7,692,300	10.00	13.00	Cash**	Conversion of 9,999,990 CCPS - Round VI into Equity Shares	Name of allottee	Equity Shares allotted	84,725,896	847,258,960
						HDFC Bank Limited*	7,692,300		
August 13, 2019	3,846,150	10.00	13.00	Cash**	Conversion of 4,999,995 CCPS - Round VII into Equity Shares	Name of allottee	Equity Shares allotted	88,572,046	885,720,460
						HDFC Bank Limited*	3,846,150		
August 23, 2019	1,811,600	10.00	276.00	Cash	Rights issue ⁽⁶⁾	Name of allottee	Equity Shares allotted	90,383,646	903,836,460
						HDFC Bank Limited*	1,811,600		
March 18, 2020	16,666,653	10.00	12.00	Cash ^{###}	Conversion of 14,999,992 CCPS - Round III and 4,999,992 CCPS - Round IV into Equity Shares	Name of allottee	Equity Shares allotted	107,050,299	1,070,502,990
						HDFC Bank Limited*	16,666,653		
March 19, 2020	2,777,778	10.00	18.00	Cash**	Conversion of 5,000,000 CCPS - Round VIII into Equity Shares	Name of allottee	Equity Shares allotted	109,828,077	1,098,280,770
						HDFC Bank Limited*	2,777,778		
March 19, 2020	15,000,000	10.00	10.00	Cash ^{###}	Conversion of 6,000,000 CCPS - Round I and 9,000,000 CCPS - Round II into Equity Shares	Name of allottee	Equity Shares allotted	124,828,077	1,248,280,770
						HDFC Bank Limited*	15,000,000		
March 19, 2020	1,000,000	10.00	20.00	Cash**	Conversion of 2,000,000 CCPS - Round IX into Equity Shares	Name of allottee	Equity Shares allotted	125,828,077	1,258,280,770
						HDFC Bank Limited*	1,000,000		
March 31, 2020	5,970,149	10.00	335.00	Cash	Rights issue ⁽⁷⁾	Name of allottee	Equity Shares allotted	131,798,226	1,317,982,260
						HDFC Bank Limited*	5,970,149		

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
November 14, 2022	6,158,267	10.00	487.15	Cash	Rights issue ⁽⁸⁾	Name of allottee	Equity Shares allotted	137,956,493	1,379,564,930
						HDFC Bank Limited*	6,158,267		
March 29, 2023	9,843,232	10.00	507.96	Cash	Rights issue ⁽⁹⁾	Name of allottee	Equity Shares allotted	147,799,725	1,477,997,250
						HDFC Bank Limited*	9,843,232		
June 29, 2023	10,271,460	10.00	681.50	Cash	Rights issue ⁽¹⁰⁾	Name of allottee	Equity Shares allotted	158,071,185	1,580,711,850
						HDFC Bank Limited*	10,271,460		
March 6, 2024	1,969,500	10.00	419.64	Cash	Allotment to eligible employees under ESOP 2022	Name of allottee	Equity Shares allotted	160,040,685	1,600,406,850
						Rajashree Pankaj Pund	35,000		
						Sebastian Camilo Fernandez	150,000		
						Balkrishna Patil	17,500		
						Senthil Kumar	17,500		
						Laxmikant Tople	85,000		
						Balasaheb Deshmukh	30,000		
						Amit Bihani	20,000		
						Manasi Kapil Panse	22,000		
						Mahendra Deorao Wawalkar	25,000		
						YLN Prasad Reddy	27,500		
						Moorthy Raju	27,500		
						Pavan Kumar Yadav	25,000		
						Ashwin Siddhaye	22,500		
						Dattatraya Shrimant Patil	22,000		
						Adarsh W R	30,000		
						Hitesh Parashar	225,000		
						Rakesh Bhajanlal Ahuja	30,000		
						Prajval Jude Luis	20,000		
						Akanksha Kandoi	60,000		
						Satendra Singh	30,000		
						Manjeet P Bijlani	200,000		
						Shashank Shekhar Agrawal	210,000		
						Amit Ashish	30,000		
						Natasha Raj	85,000		

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
						Aastha Sachdeva	50,000		
						Ravi Krishan Kumar Malhotra	30,000		
						Navjot Singh Maini	25,000		
						Vaijayanti Albal Sharma	15,000		
						Narendra Singh	50,000		
						Shweta Jain	35,000		
						Sayantan Roy	20,000		
						Tushar Prabhakar	25,000		
						Mvsk Chakravarthy	18,000		
						Dhawal Rathod	15,000		
						Nishita Mazumdar	85,000		
						Zarir F Khambatta	45,000		
						Soumya Rajan	35,000		
						Prateek Malik	35,000		
						Supriya Bhasin	40,000		
March 20, 2024	19,128,540	10.00	681.50	Cash	Preferential allotment	Name of allottee	Equity Shares allotted	179,169,225	1,791,692,250
						Kopvoorn B.V.	15,302,832		
						Defati Investments Holding B.V.	198,144		
						Moss Investments Limited	3,469,507		
						Infinity Partners	158,057		
June 28, 2024	22,010,272	10.00	681.50	Cash	Preferential allotment	Name of allottee	Equity Shares allotted	201,179,497	2,011,794,970
						Shinhan Bank	22,010,272		
July 24, 2024	13,650,331	10.00	681.50	Cash	Rights issue ⁽¹¹⁾	Name of allottee	Equity Shares allotted	214,829,828	2,148,298,280
						Kopvoorn B.V.	10,920,265		
						Moss Investments Limited	2,475,877		
						Defati Investments Holding B.V.	141,397		
						Infinity Partners	112,792		
October 14, 2024	3,957,887	10.00	681.50	Cash	Preferential allotment	Name of allottee	Equity Shares allotted	218,787,715	2,187,877,150
						HDFC Life Insurance Company Limited	3,957,887		

[^] The date of subscription to the Memorandum of Association is January 6, 2006. Our Company obtained the certificate of incorporation from the RoC on February 1, 2006. The allotment of Equity Shares pursuant to the initial subscription was taken on record by our Board on February 20, 2006.

[#] Part consideration was paid in cash at the time of allotment on April 15, 2009 and part consideration was paid at the time of allotment of 3,955,335 CCPS – Round I.

^{*} The Equity Shares were allotted to HDFC Limited. Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023 and the Equity Shares held by HDFC Limited were transferred to and vested with HDFC Bank Limited.

^{**} The consideration was received at the time of subscription of the CCPS- Round I, CCPS-Round II, CCPS- Round III, CCPS-Round IV, CCPS-Round V, CCPS-Round VI, CCPS-Round VII, CCPS-Round VIII and CCPS-Round IX.

^{##} The consideration was received at the time of subscription of the OCPS - Round I, OCPS - Round II, OCPS - Round III, OCPS - Round IV and OCPS - Round V. On September 2, 2013, all outstanding (i) 6,000,000 OCPS - Round I have been converted into 6,000,000 CCPS - Round I which were later converted into 6,000,000 Equity Shares on March 19, 2020; (ii) 9,000,000 OCPS - Round II have been converted into 9,000,000 CCPS - Round II which were later converted into 9,000,000 Equity Shares on March 19, 2020; (iii) 10,000,000 OCPS - Round III and 4,999,992 OCPS - Round IV have been converted into 14,999,992 CCPS - Round III, which were later converted into 12,499,993 Equity Shares on March 18, 2020; and (iv) 4,999,992 OCPS - Round V have been converted into 4,999,992 CCPS - Round IV, which were later converted into 4,166,660 Equity Shares on March 18, 2020.

- ⁽¹⁾ Rights issue of Equity Shares in the ratio 2,542,676:53,742,003 (i.e., 2,542,676 Equity Shares each for every 53,742,003 Equity Shares held) authorised by a resolution of our Board dated July 18, 2016.
- ⁽²⁾ Rights issue of Equity Shares in the ratio 11,294:100,000 (i.e., 11,294 Equity Shares each for every 100,000 Equity Shares held) authorised by a resolution of our Board dated March 10, 2017.
- ⁽³⁾ Rights issue of Equity Shares in the ratio 1,689,662:60,742,003 (i.e., 1,689,662 Equity Shares each for every 60,742,003 Equity Shares held) authorised by a resolution of our Board dated July 12, 2017.
- ⁽⁴⁾ Rights issue of Equity Shares in the ratio 4,766:100,000 (i.e., 4,766 Equity Shares each for every 100,000 Equity Shares held) authorised by a resolution of our Board dated March 9, 2018.
- ⁽⁵⁾ Rights issue of Equity Shares in the ratio 5,466,001:64,526,403 (i.e., 5,466,001 Equity Shares each for every 64,526,403 Equity Shares held) authorised by a resolution of our Board dated July 9, 2018.
- ⁽⁶⁾ Rights issue of Equity Shares in the ratio 2,095,250:84,725,896 (i.e., 2,095,250 Equity Shares each for every 84,725,896 Equity Shares held) authorised by a resolution of our Board dated July 27, 2019.
- ⁽⁷⁾ Rights issue of Equity Shares in the ratio 5,970,149:125,828,077 (i.e., 5,970,149 Equity Shares each for every 125,828,077 Equity Shares held) authorised by a resolution of our Board dated March 19, 2020.
- ⁽⁸⁾ Rights issue of Equity Shares in the ratio 6,158,267:131,798,226 (i.e., 6,158,267 Equity Shares each for every 131,798,226 Equity Shares held) authorised by a resolution of our Board dated October 18, 2022.
- ⁽⁹⁾ Rights issue of Equity Shares in the ratio 9,843,232:137,956,493 (i.e., 9,843,232 Equity Shares each for every 137,956,493 Equity Shares held) authorised by a resolution of our Board dated March 21, 2023.
- ⁽¹⁰⁾ Rights issue of Equity Shares in the ratio 10,271,460:147,799,725 (i.e., 10,271,460 Equity Shares each for every 147,799,725 Equity Shares held) authorised by a resolution of our Board dated June 26, 2023.
- ⁽¹¹⁾ Rights issue of Equity Shares in the ratio 17,608,218:179,169,225 (i.e., 17,608,218 Equity Shares each for every 179,169,225 Equity Shares held) authorised by a resolution of our Board dated April 2, 2024.

ii. Preference share capital

As on the date of this Updated Draft Red Herring Prospectus-I, our Company has no outstanding preference shares.

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

Our Company has not issued any specified securities for consideration other than cash or by way of bonus issue or out of the revaluation reserves since its incorporation, as on the date of this Updated Draft Red Herring Prospectus-I:

For further details, please see “- *Notes to the Capital Structure*” and “*History and Certain Corporate Matters*” on pages 108 and 274, respectively.

3. Issue of shares at a price lower than the Offer Price in the last year

Except as disclosed in “- *Notes to the Capital Structure*” on page 108 above, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price in the last one year.

4. Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares in terms of any scheme of arrangement approved under sections 391- 394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.

5. History of build-up of Promoter’s shareholding, Minimum Promoter’s Contribution and lock-in

As on the date of this Updated Draft Red Herring Prospectus-I, following are the details of the shareholding of our Promoter:

Sr. No.	Name of the Promoter	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	Kopvoorn B.V.	139,936,441	63.89

For further details, see “*Our Promoter and Promoter Group*” on page 314.

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

Build-up of the shareholding of our Promoter in our Company

The details regarding the build-up of shareholding of Kopvoorn B.V. (also the Promoter Selling Shareholder) in our Company since incorporation is set forth in the table below:

Date of transfer/ allotment of Equity Shares	Number of Equity Shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/ issue price per Equity Share (₹)	Percentage of the pre-Offer capital on a fully-diluted basis(%)	Percentage of the post-Offer capital (%) [*]
March 19, 2024	112,138,344	Transfer of Equity Shares from HDFC Bank Limited	Cash	10.00	681.50	51.20	[●]
March 19, 2024	35,000	Transfer of Equity Shares from Rajashree Pankaj Pund	Cash	10.00	681.50	0.02	[●]
	150,000	Transfer of Equity Shares from Sebastian Camilo Fernandez	Cash	10.00	681.50	0.07	[●]
	85,000	Transfer of Equity Shares from Laxmikant Tople	Cash	10.00	681.50	0.04	[●]
	30,000	Transfer of Equity Shares from Balasaheb Deshmukh	Cash	10.00	681.50	0.01	[●]

Date of transfer/ allotment of Equity Shares	Number of Equity Shares allotted/ transferred	Nature of transaction	Nature of considerati on	Face Value per Equity Share (₹)	Transfer price/ issue price per Equity Share (₹)	Percentage of the pre- Offer capital on a fully- diluted basis(%)	Percentage of the post- Offer capital (%)*
	225,000	Transfer of Equity Shares from Hitesh Parashar	Cash	10.00	681.50	0.10	[●]
	30,000	Transfer of Equity Shares from Rakesh Bhajanlal Ahuja	Cash	10.00	681.50	0.01	[●]
	60,000	Transfer of Equity Shares from Akanksha Kandoi	Cash	10.00	681.50	0.03	[●]
	30,000	Transfer of Equity Shares from Satendra Singh	Cash	10.00	681.50	0.01	[●]
	200,000	Transfer of Equity Shares from Manjeet P Bijlani	Cash	10.00	681.50	0.09	[●]
	30,000	Transfer of Equity Shares from Amit Ashish	Cash	10.00	681.50	0.01	[●]
	85,000	Transfer of Equity Shares from Natasha Raj	Cash	10.00	681.50	0.04	[●]
	50,000	Transfer of Equity Shares from Aastha Sachdeva	Cash	10.00	681.50	0.02	[●]
	30,000	Transfer of Equity Shares from Ravi Krishan Kumar Malhotra	Cash	10.00	681.50	0.01	[●]
	45,000	Transfer of Equity Shares from Zarir F Khambatta	Cash	10.00	681.50	0.02	[●]
	35,000	Transfer of Equity Shares from Soumya Rajan	Cash	10.00	681.50	0.02	[●]
	35,000	Transfer of Equity Shares from Prateek Malik	Cash	10.00	681.50	0.02	[●]
	40,000	Transfer of Equity Shares from Supriya Bhasin	Cash	10.00	681.50	0.02	[●]
March 20, 2024	210,000	Transfer of Equity Shares from Shashank Shekhar Agrawal	Cash	10.00	681.50	0.10	[●]
	50,000	Transfer of Equity Shares from Narendra Singh	Cash	10.00	681.50	0.02	[●]
	35,000	Transfer of Equity Shares from Shweta Jain	Cash	10.00	681.50	0.02	[●]
	85,000	Transfer of Equity Shares from Nishita Mazumdar	Cash	10.00	681.50	0.04	[●]
March 20, 2024	15,302,832	Preferential allotment	Cash	10.00	681.50	6.99	[●]
July 24, 2024	10,920,265	Rights issue ⁽¹⁾	Cash	10.00	681.50	4.99	[●]
Total	139,936,441					63.89	[●]

* Subject to finalisation of the Basis of Allotment

⁽¹⁾ Rights issue of Equity Shares in the ratio 17,608,218:179,169,225 (i.e., 17,608,218 Equity Shares each for every 179,169,225 Equity Shares held) authorised by a resolution of our Board dated April 2, 2024.

6. Secondary transactions of Equity Shares involving the Promoter, Promoter Group and Selling Shareholders

Except as disclosed in “– History of build-up of Promoter’s shareholding, Minimum Promoter’s Contribution and lock-in - build-up of the shareholding of our Promoter in our Company” on page 114, there has been no acquisition of Equity Shares through secondary transactions by our Promoter (also the Promoter Selling Shareholder), the member of the Promoter Group holding Equity Shares as on the date of this Updated Draft Red Herring Prospectus-I. Further, set out below are the details of acquisition of Equity Shares through secondary transactions by HDFC Bank Limited (one of the Selling Shareholders):

A. HDFC Bank Limited

Date of transfer/allotment of Equity Shares	Number of Equity Shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/issue price per Equity Share (₹)	Percentage of the pre-Offer capital on a fully diluted basis (%)	Percentage of the post-Offer capital (%) [*]
December 24, 2009	3,955,335 [@]	Transfer of Equity Shares from DSP Merrill Lynch Capital Limited	Cash	10.00	14.88	1.81	[●]
December 10, 2019	(1) [^]	Transfer of Equity Shares to Subodh Kamalakkar Salunke	NA	10.00	Nil	(0.00)	[●]
December 12, 2019	11,470,000 [@]	Transfer of Equity Shares from Ajay Bohora and Anil Bohora	Cash	10.00	335.66	5.24	[●]
March 3, 2020	(1) [^]	Transfer of Equity Shares to Joseph Conrad D’Souza	NA	10.00	Nil	(0.00)	[●]
March 3, 2020	(1) [^]	Transfer of Equity Shares to Dipta Bhanu Gupta	NA	10.00	Nil	(0.00)	[●]
March 3, 2020	(1) [^]	Transfer of Equity Shares to Ajay Agarwal	NA	10.00	Nil	(0.00)	[●]
March 3, 2020	(1) [^]	Transfer of Equity Shares to Sudhir Kumar Jha	NA	10.00	Nil	(0.00)	[●]
March 3, 2020	(1) [^]	Transfer of Equity Shares to Suresh Shankar Menon	NA	10.00	Nil	(0.00)	[●]
March 19, 2024	(112,138,344)	Transfer of Equity Shares to Kopvoorn B.V.	Cash	10.00	681.50	(51.20)	[●]
March 19, 2024	(25,781,454)	Transfer of Equity Shares to Moss Investments Limited	Cash	10.00	681.50	(11.77)	[●]
March 19, 2024	(1,472,379)	Transfer of Equity Shares to Defati Investments Holding B.V.	Cash	10.00	681.50	(0.67)	[●]
March 19, 2024	(780,003)	Transfer of Equity Shares to Infinity Partners	Cash	10.00	681.50	(0.36)	[●]

Date of transfer/allotment of Equity Shares	Number of Equity Shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/issue price per Equity Share (₹)	Percentage of the pre- Offer capital on a fully diluted basis (%)	Percentage of the post- Offer capital (%) [*]
July 18, 2024	1 [#]	Transfer of Equity Shares from Ajay Agarwal	NA	10.00	Nil	0.00	[●]
February 12, 2025	1 [#]	Transfer of Equity Shares from Santosh Gurudas Haldankar	NA	10.00	Nil	0.00	[●]
February 14, 2025	1 [#]	Transfer of Equity Shares from Vinayak Mavinkurve	NA	10.00	Nil	0.00	[●]
February 18, 2025	1 [#]	Transfer of Equity Shares from Akshay S Dixit	NA	10.00	Nil	0.00	[●]
February 24, 2025	1 [#]	Transfer of Equity Shares from Sudhir Kumar Jha	NA	10.00	Nil	0.00	[●]
February 28, 2025	1 [#]	Transfer of Equity Shares from Manjiree Sureshchandra Jaitly	NA	10.00	Nil	0.00	[●]

^{*} Subject to finalisation of the Offer Price and Basis of Allotment.

[^] Transferred in the capacity of nominee Shareholder of HDFC Bank Limited

[#] Transferred by erstwhile nominee Shareholder of HDFC Bank Limited.

[@] The Equity Shares were transferred to HDFC Limited. Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023 and the Equity Shares held by HDFC Limited were transferred to and vested with HDFC Bank Limited.

7. As on date of this Updated Draft Red Herring Prospectus-I, none of the Equity Shares held by our Promoter are pledged.
8. **Shareholding of our Promoter, member of our Promoter Group and directors of our Promoter**

Except as disclosed below, our Promoter, member of Promoter Group do not hold any Equity Shares as on the date of this Updated Draft Red Herring Prospectus-I.

Sr. No.	Name of shareholder	Pre-Offer		Post-Offer*	
		Number of Equity Shares	Percentage of Equity Share capital (on a fully diluted basis) (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
(A) Promoter					
1.	Kopvoorn B.V.	139,936,441	63.89	●	●
Total (A)		139,936,441	63.89	●	●

^{*} Subject to finalisation of Basis of Allotment

9. Details of Promoter's contribution and lock-in

- (a) Pursuant to Regulations 14 and 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- Offer Equity Share capital of our Company held by our Promoter shall be locked in for a period of 18 months as minimum promoter's contribution from the date of Allotment ("**Promoter's Contribution**"), and the Promoter's shareholding in excess of 20% of the fully diluted post- Offer Equity Share capital shall be locked-in for a period of six months from the date of Allotment.
- (b) Details of the Equity Shares to be locked-in for eighteen months, or such other period as prescribed under the SEBI ICDR Regulations, from the date of Allotment as Promoter's Contribution are set forth in the table below:

Name of the Promoter	Date of allotment of the Equity Shares [#]	Nature of transaction	No. of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in*	Percentage of the post-Offer paid-up capital *	Date up to which the Equity Shares are subject to lock-in*
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total						[•]	[•]	

Note: To be updated prior to filing of the Prospectus with the RoC.

[#] Equity Shares will be fully paid-up on the date of allotment/acquisition.

*Subject to finalisation of Basis of Allotment.

- (c) Our Promoter has given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing this Updated Draft Red Herring Prospectus-I until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- (d) Our Company undertakes that the Equity Shares that shall be locked-in are not and will not be ineligible for computation of Promoter's Contribution in terms of Regulation 15 read with Regulation 59B of the SEBI ICDR Regulations. In this connection, we confirm the following:
- The Equity Shares offered for Promoter's Contribution have not been acquired in the three immediately preceding years from the date of this Updated Draft Red Herring Prospectus – I (a) for consideration other than cash involving revaluation of assets or capitalization of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealized profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;
 - The Promoter's Contribution are not acquired during the immediately preceding one year from the date of this Updated Draft Red Herring Prospectus-I, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
 - 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 Updated Draft Red Herring Prospectus-I pursuant to conversion from a partnership firm; and
 - The Equity Shares forming part of the Promoter's Contribution shall not be subject to any pledge.
 - All Equity Shares held by our Promoter are in dematerialized form as on the date of this Updated Draft Red Herring Prospectus-I.

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

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company held by persons other than our Promoter will be locked-in for a period of six months from the date of Allotment except for: (i) any Equity Shares which may be allotted to the employees under the ESOP 2022 and ESOP 2024 pursuant to exercise of stock options held by such employees (whether currently employees or not); (ii) the Equity Shares offered pursuant to the Offer for Sale; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investor) Regulations, 2009) ("FVCI"), as applicable, provided that (a) such Equity Shares shall be locked in for a period of at least six months prescribed under the SEBI ICDR Regulations from the date of purchase by such shareholders and (b) such VCF or AIF of category I or category II or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-Offer Equity Share capital of the Company (on a fully diluted basis).

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

11. Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

12. Recording on non-transferability of Equity Shares locked-in

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

13. Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

14. Shareholding Pattern of our Company

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

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 shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in 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 Shares held (b)	
								Class: Equity Shares	Class: eg: Others	Total								
(A)	Promoter and Promoter Group	1	139,936,441	-	-	139,936,441	63.96	139,936,441	-	139,936,441	63.96	-	63.96	-	-	-	-	139,936,441
(B)	Public	8*	78,851,274	-	-	78,851,274	36.04	78,851,274	-	78,851,274	36.04	-	36.04	-	-	-	-	78,851,274
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9*	218,787,715	-	-	218,787,715	100.00	218,787,715	-	218,787,715	100.00	-	100.00	-	-	-	-	218,787,715

* Includes Arijit Sanyal and Manjeet P Bijlani, who hold Equity Shares as nominee of Infinity Partners who is the beneficial owner of such Equity Shares.

15. Other details of Shareholding of our Company

- (a) As on the date of the filing of this Updated Draft Red Herring Prospectus-I, our Company has 9 Shareholders.
- (b) 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 this Updated Draft Red Herring Prospectus-I:

S. No.	Name of the Shareholder	Number of equity Shares of face value ₹ 10 each	Percentage of Equity Share capital on a fully diluted basis (%)
1.	Kopvoorn B.V.	139,936,441	63.89
2.	Moss Investments Limited	31,726,838	14.48
3.	Shinhan Bank	22,010,272	10.05
4.	HDFC Bank Limited	17,899,005	8.17
5.	HDFC Life Insurance Company Limited	3,957,887	1.81
Total		215,530,433	98.40

- (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 10 days prior to the date of this Updated Draft Red Herring Prospectus-I:

S. No.	Name of the Shareholder	Number of equity Shares of face value ₹ 10 each	Percentage of Equity Share capital on a fully diluted basis (%)
1.	Kopvoorn B.V.	139,936,441	63.89
2.	Moss Investments Limited	31,726,838	14.48
3.	Shinhan Bank	22,010,272	10.05
4.	HDFC Bank Limited	17,899,005	8.17
5.	HDFC Life Insurance Company Limited	3,957,887	1.81
Total		215,530,433	98.40

- (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 one year prior to the date of this Updated Draft Red Herring Prospectus-I:

S. No.	Name of the Shareholder	Number of equity Shares of face value ₹ 10 each	Percentage of Equity Share on a fully diluted basis capital (%)
1.	Kopvoorn B.V.	129,016,176	71.91
2.	Moss Investments Limited	29,250,961	16.30
3.	HDFC Bank Limited	17,899,005*	9.98
Total		176,166,142	98.19

* Includes one Equity Share each of face value ₹10 each held by Akshay S Dixit, Manjiree Sureshchandra Jaitly, Santosh Gurudas Haldankar, Ajay Agarwal, Sudhir Kumar Jha and Vinayak Mavinkurve who held Equity Shares as nominee of HDFC Bank Limited who is the beneficial owner of such Equity Shares.

- (e) 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 the date of this Updated Draft Red Herring Prospectus-I:

S. No.	Name of the Shareholder	Number of equity Shares of face value ₹ 10 each	Percentage of Equity Share capital on a fully diluted basis (%)
1.	HDFC Bank Limited	147,799,725*	100.00
Total		147,799,725*	100.00

* Includes one Equity Share each of face value ₹10 each held by Ajay Agarwal, Sudhir Kumar Jha, Vinayak Mavinkurve, Suresh Shanker Menon, Dipta Bhanu Gupta and Joseph Conrad Agnelo Dsouza who held Equity Shares as nominee of HDFC Limited who is the beneficial owner of such Equity Shares.

16. Employee stock option scheme

A. Credila Financial Services Limited Employee Stock Option Plan – 2022 (“ESOP 2022”)

Pursuant to resolution passed by the Nomination and Remuneration Committee and our Shareholders dated March 25, 2022 and March 31, 2022, respectively, our Company instituted the ESOP 2022. The ESOP 2022 was further amended by resolutions of the Nomination and Remuneration Committee dated April 13, 2022, January 5, 2023, April 17, 2023, May 29, 2023 and December 24, 2024 and by resolutions of Shareholders of our Company dated April 18, 2022, June 6, 2023 and December 26, 2024 respectively.

The ESOP 2022 has been instituted in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

As on the date of this Updated Draft Red Herring Prospectus-I, under the ESOP 2022, an aggregate of 3,769,541 options have been granted (including an aggregate of 1,550,041 lapsed options), an aggregate of 3,418,091 options have been vested and an aggregate of 1,969,500 options have been exercised. These options have been granted in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

As on the date of this UDRHP -I, there are only 250,000 outstanding options under the ESOP 2022 which are vested. No further grants shall be made under ESOP 2022, as noted by the Board in their meeting dated December 24, 2024. The 250,000 outstanding options under ESOP 2022 represent [●]%* of the issued and paid-up share capital, assuming vesting and exercise of all options under ESOP 2024 pool and exercise of 250,000 outstanding options under ESOP 2022.

** To be finalised upon determination of the Equity Shares issued under the Fresh Issue and shall be updated in the Prospectus prior to filing with the RoC.*

The following table sets forth the particulars of ESOP 2022, including options granted as on the date of this Updated Draft Red Herring Prospectus-I:

Particulars	From April 1, 2025 till June 10, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Options outstanding as at the beginning of the period	250,000	250,000	3,424,641	-
Total options granted	NA	NA	208,050	3,561,491
Cumulative options granted as on year end	-	-	3,769,541	3,561,491
No. of employees to whom options were granted	-	-	107	389
Options vested (including options that have been exercised)	-	-	3,418,091	-
Vesting period (years)	NA	NA	1-2 years with an additional condition of completion of 3 years of service at the date of grant. All options were accelerated owing to change of control	1-2 years with an additional condition of completion of 3 years of service at the date of grant
Options exercised	-	-	1,969,500	-
Exercise price of options (in ₹) (as on the date of the grant of options)	NA	NA	507.96	419.64
Options forfeited/ lapsed/ cancelled	-	-	1,413,191	136,850
Variation in terms of options	-	-	Vesting period of all the options was accelerated due	No variation

Particulars	From April 1, 2025 till June 10, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
			to change of control	
Total options outstanding (including vested and unvested options)	250,000	250,000	250,000	3,424,641
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	250,000	250,000	2,219,500	3,424,641
Money realised by exercise of options (in ₹)	NA	NA	826,480,980	-
Total no. of options in force	250,000	250,000	250,000	3,424,641
Employee wise details of options granted to				
(i) Key management personnel				
- Arijit Sanyal (Managing Director & Chief Executive Officer)	-	-	-	893,141
- Manjeet P Bijlani (Chief Financial Officer)	-	-	-	200,000
- Akanksha Kandoi (erstwhile company secretary)	-	-	-	60,000
(ii) Senior management	-			
- Sebastian Camilo Fernandez (erstwhile chief risk officer)	-	-	-	150,000
- Hitesh Parashar (Chief Business Officer)	-	-	-	225,000
- Shashank Shekhar Agrawal (erstwhile chief technology officer)	-	-	-	210,000
- Natasha Raj (Head – Human Resources)	-	-	-	85,000
- Aastha Sachdeva (Chief Risk Officer)	-	-	-	50,000
- Sayantan Roy (Head of Internal Audit)	-	-	-	20,000
- Nishita Mazumdar (Head –Operations)	-	-	-	85,000
- Zarir F Khambatta (Chief of Staff)	-	-	-	45,000
(iii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year				
- Karan Kalucha	-	-	25,000	Nil
- Abhishek Srivastava	-	-	15,000	Nil
- Ayan Pal	-	-	20,000	Nil
- Harsh Sheth	-	-	12,500	Nil
(iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	-	-	-	-
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	-	47.69	33.81	20.47
Where the Company has calculated the employee compensation cost using the	NA	NA	NA	NA

Particulars	From April 1, 2025 till June 10, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
intrinsic value of the stock options, the difference between employee compensation cost so calculated and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company				
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	NA	NA	The fair value of the employee share options granted during the year was determined using the black-scholes- merton formula.	
Method of option valuation	NA	NA	Black Schoales Method	
- Expected life of options (years)	NA	NA	4.30	1.19
- Expected Volatility (%) p.a	NA	NA	21	25
- Risk Free Rate of Return (%)	NA	NA	6.7 per annum to 6.8 per annum	6.3 per annum - 7.1 per annum
- Dividend Yield (% p.a.)	NA	NA	NIL	NIL
- Exercise price per share (₹)	NA	NA	507.96	419.64
Weighted average share price on the date of grant of option (in ₹)	NA	NA	507.96	419.64
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	NA	NA	NA	NA
Intention of the key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	NA	NA	NA	NA
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, key managerial personnel, senior management and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	NA	NA	NA	NA

B. Credila Financial Services Limited Employee Stock Option Plan – 2024 (“ESOP 2024”)

Pursuant to resolution passed by the Nomination and Remuneration Committee and our Shareholders dated December 18, 2024 and December 23, 2024, respectively, our Company instituted the ESOP 2024. Subsequently, the ESOP 2024 has been amended pursuant to resolutions passed by the Board and Shareholders, each dated June 9, 2025.

The ESOP 2024 has been instituted in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

As on the date of this Updated Draft Red Herring Prospectus-I, under the ESOP 2024, an aggregate of 6,777,309⁽¹⁾ options have been granted and none of these options have been vested or exercised. These options have been granted in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

The ESOP 2024 pool consists of 7,349,458 options representing 7,349,458 Equity Shares of face value ₹ 10 each. These represent [●]*%* of the issued and paid-up share capital, assuming vesting and exercise of all options under ESOP 2024 pool and exercise of 250,000 outstanding options under ESOP 2022.

** To be finalised upon determination of the Equity Shares issued under the Fresh Issue and shall be updated in the Prospectus prior to filing with the RoC.*

The following table sets forth the particulars of ESOP 2024, including options granted as on the date of this Updated Draft Red Herring Prospectus-I:

Particulars	From April 1, 2025 till June 10, 2025	Fiscal 2025
Options outstanding as at the beginning of the period	6,111,705 ⁽¹⁾	-
Total options granted	641,928 ⁽²⁾	6,165,381 ⁽¹⁾
Cumulative options granted as on year end	6,723,633	6,165,381 ⁽¹⁾
No. of employees to whom options were granted	23	164
Options vested (including options that have been exercised)	-	-
Vesting period (years)	<p>Five-year graded vesting schedule where 1/5th of the shares granted vest at the end of every year with the first vesting one year from date of grant, second vesting 10 months from first vesting and all subsequent vesting at one-year intervals. At least 3 (three) years of continued service at Credila. For new joiners/ employees who have not completed 3 (three) years of service at Credila, vesting will accrue as per the annual vesting schedule. However, actual vesting will happen once after s/he completes 3 (three) years of service.</p> <p>Managing Director and Chief Executive Officer: Four-year graded vesting schedule where 2/5th of the shares granted vest one year from date of grant, second vesting of 1/5th of the shares vest 10 months from first vesting and two subsequent vesting of 1/5th of the shares each at one-year intervals.</p>	<p>Five-year graded vesting schedule where 1/5th of the shares granted vest at the end of every year with the first vesting one year from date of grant, second vesting 4 months from first vesting and all subsequent vesting at one-year intervals. At least 3 (three) years of continued service at Credila. For new joiners/ employees who have not completed 3 (three) years of service at Credila, vesting will accrue as per the annual vesting schedule. However, actual vesting will happen once after s/he completes 3 (three) years of service</p>

Particulars	From April 1, 2025 till June 10, 2025	Fiscal 2025
Options exercised	Nil	Nil
Exercise price of options (in ₹) (as on the date of the grant of options)	681.50	681.50
Options forfeited/ lapsed/ cancelled	30,000 ⁽³⁾	53,676 ⁽⁴⁾
Variation in terms of options	No Variation	No Variation
Total options outstanding (including vested and unvested options)	6,723,633	6,111,705 ⁽¹⁾
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	6,723,633	6,111,705 ⁽¹⁾
Money realised by exercise of options (in ₹)	-	-
Total no. of options in force	6,723,633	6,111,705 ⁽¹⁾
Employee wise details of options granted to		
(i) Key management personnel		
- Arijit Sanyal – Managing Director and Chief Executive Officer ⁽⁵⁾	230,000	2,204,837 ⁽¹⁾
- Manjeet P Bijlani – Chief Financial Officer	-	283,585
- Karishma Jhaveri – Company Secretary and Compliance Officer	-	47,386
(ii) Senior management		
- Hitesh Parashar (Chief Business Officer)	-	356,702
- Anand Nevgi (Chief Operating Officer)	-	322,941
- Nilotpal Borpujari (Chief Credit Officer)	-	190,646
- Sayantan Roy (Head Internal Audit)	-	76,119
- Natasha Raj (Head – Human Resources)	-	72,301
- Zarir F Khambatta (Chief of Staff)	-	71,634
- Aastha Sachdeva (Chief Risk Officer)	-	70,527
- Nishita Hirnank Mazumdar (Head Operations)	-	70,066
- Sameer Vyas (Chief Compliance Officer)	-	40,393
- Ramganes Iyer (Head of Corporate Development)	200,000	-
(iii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	NA	NA
(iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Arijit Sanyal – Managing Director and Chief Executive Officer	NA ⁽¹⁾
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	-	-
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between employee compensation cost so calculated and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	NA	NA
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	-	The fair value of the employee share options granted during the year was determined using the black-scholes-merton formula
Method of option valuation	-	Black Scholes
- Expected life of options (years)	-	2 to 5.3 years
- Expected Volatility (%) p.a	-	22% per annum

Particulars	From April 1, 2025 till June 10, 2025	Fiscal 2025
- Risk Free Rate of Return (%) p.a	-	6.4% per annum to 6.5% per annum
- Dividend Yield (% p.a.)	-	NIL
- Exercise price per share (₹)	681.50	681.50
Weighted average share price on the date of grant of option (in ₹)	-	681.50
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	Nil	Nil
Intention of the key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	Nil	Nil
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, key managerial personnel, senior management and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	Nil	Nil

(1) Includes 30,000 options granted earlier, which were re-allocated back into the ESOP 2024 pool pursuant to the resolution passed by the Nomination and Remuneration Committee on May 30, 2025.

(2) Issued at a discount.

(3) No options were cancelled, forfeited or lapsed during this period. Please refer note (1) above for details of reallocation of certain options.

(4) Options lapsed on account of resignation of employees.

(5) Arijit Sanyal currently holds 2,404,837 options under ESOP 2024.

17. Except for the allotment of Equity Shares pursuant to the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of bonus issue of Equity Shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.
18. Except for outstanding options granted pursuant to the ESOP 2022 and ESOP 2024 by our Company, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Updated Draft Red Herring Prospectus-I.
19. As on the date of this Updated Draft Red Herring Prospectus-I, except for Arijit Sanyal and Manjeet P Bijlani (as nominees of Infinity Partners), none of our other Directors or Key Managerial Personnel or Senior Management Personnel hold any Equity Shares of our Company. For further details, please see “Our Management – Shareholding of Directors in our Company” on page 289.
20. None of the member of the Promoter Group, the Promoter, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Updated Draft Red Herring Prospectus-I.
21. There have been no financing arrangements whereby our Promoter, member of the Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities

of our Company during a period of six months immediately preceding the date of this Updated Draft Red Herring Prospectus-I.

22. Our Company, the Promoter, the Directors and the BRLMs have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
23. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Updated Draft Red Herring Prospectus-I.
24. As on the date of this Updated Draft Red Herring Prospectus-I, the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company.
25. As on the date of this Updated Draft Red Herring Prospectus-I, none of the investors of our Company are directly/indirectly related with Book Running Lead Managers and their associates.
26. The BRLMs and their respective associates and affiliates in their capacity as principals or agents have engaged or may engage in transactions with, and perform services for, our Company, shareholders of our Company, Promoter, Directors and/or officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, Promoter, Directors and/or officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive, customary compensation.
27. None of the Promoter or other member of our Promoter Group will participate in the Offer except to the extent of their participation in the Offer for Sale.
28. Except for issuance of Equity Shares pursuant to exercise of options under ESOP Plan 2022 and ESOP 2024, the Pre-IPO Placement and Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Updated Draft Red Herring Prospectus-I with SEBI until the Equity Shares are listed on the Stock Exchanges pursuant to the Offer or all application monies have been refunded, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.
29. Our Company shall ensure that any transaction in the Equity Shares by our Promoter and our Promoter Group during the period between the date of filing this Updated Draft Red Herring Prospectus-I and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
30. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoter, member of our Promoter Group or Group Company, shall offer or make payment of 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, except for fees or commission for services rendered in relation to the Offer.
31. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
32. Our Company is in compliance with the Companies Act, 1956 and Companies Act, 2013, each to the extent applicable and other applicable laws, with respect to issuance of securities since inception till the date of filing of this Updated Draft Red Herring Prospectus-I.

OBJECT OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell an aggregate of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹20,000.00 million held by them. Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares of face value of ₹10 each offered by the respective Selling Shareholders as part of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon, as applicable. For further details, see “– Offer Expenses” on page 131 below. Our Company will not receive any proceeds from the Offer for Sale and the proceeds from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, see “The Offer” beginning on page 89.

Fresh Issue

Our Company proposes to utilize the Net Proceeds towards augmenting our capital base to meet our Company’s future capital requirements arising out of growth of our business and assets.

Further, a portion of the proceeds from the Fresh Issue will be used towards meeting Offer Expenses. For further details, see “– Offer Expenses” on page 131 below.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company’s brand name and creation of a public market for our Equity Shares of face value of ₹10 each in India.

The main objects clause and objects incidental and ancillary to the main objects clause of our Memorandum of Association enables our Company to undertake our existing business activities and undertake the activities proposed to be funded from the Net Proceeds.

The object of the Offer for which the Net Proceeds will be utilised is not appraised by any bank/ financial institution or agency.

Net Proceeds

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

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Fresh Issue ⁽¹⁾	Up to 30,000.00
(Less) Estimated Offer related expenses in relation to the Fresh Issue	[●] ⁽²⁾⁽³⁾
Net Proceeds	[●]

⁽¹⁾ A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) Shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

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

⁽³⁾ For details of the expenses related to the Offer, see “– Offer Expenses” on page 131 below.

Proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be deployed over the course of Financial Year 2026. The proposed fund deployment is based on current circumstances of our business, management estimates, market conditions and other commercial factors. 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 or revising the planned

expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in this Updated Draft Red Herring Prospectus-I are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment, as required, on account of internal factors such as our business and growth strategies and other external factors such as changes in the business environment, market conditions, competition, interest rate fluctuations. 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.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds or through our internal accruals, if any, which are not applied to the other purposes set out above. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned object, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscal towards the aforementioned object in accordance with applicable laws.

Details of the Object of the Fresh Issue

The details in relation to object of the Fresh Issue is set forth herein below.

Augmenting our Company's capital base to meet our Company's future capital requirements arising out of growth of our business and towards onward lending

We are an education finance company focused on providing loans for higher education to Indian students and are registered with the RBI under Section 45 IA of the Reserve Bank of India Act, 1934. According to Industry Report, we are India's largest education focussed NBFC in terms of AUM, disbursements and profit after tax for the Financial Year 2024. As an NBFC, we are subject to regulations relating to capital adequacy which require us to maintain a minimum capital adequacy ratio consisting of Tier – I and Tier – II capital which shall not be less than 15% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items with Tier – I capital not below 10% at any point in time in terms of the NBFC Scale Based Regulations. For further details, see “Key Regulations and Policies” on pages 251.

The table below sets forth the details of Company's Tier – I and Tier – II capital as at Fiscals ended March 31, 2025, March 31, 2024 and March 31, 2023:

(₹ in million except percentages)			
Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Tier I Capital ⁽¹⁾	91,206.67	53,127.07	25,780.68
Tier II Capital	9,756.33	12,341.65	10,287.07
Total Capital Fund (Tier I & II)	1,00,963.00	65,468.72	36,067.75
Risk weighted assets	4,62,996.76	320,083.12	176,664.69
Capital to risk weighted ratio (%) ⁽²⁾	21.81	20.45	20.42
Post-offer capital to risk weighted assets ratio (%)			19.70 ⁽³⁾ %

Notes:

⁽¹⁾ Tier I capital comprises share capital, share premium, retained earnings including current year profit. Tier II capital comprises provision on stage I loan assets and subordinated liability. Risk weighted assets represent the weighted sum of our credit exposures based on their risk (Computed in accordance with the relevant RBI guidelines)

⁽²⁾ Post-offer capital-to-risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (Computed in accordance with the relevant RBI guidelines).

⁽³⁾ To be finalised upon determination of the Offer Price and shall be updated in the Prospectus prior to filing with the RoC.

As of March 31, 2025, our Company's CRAR was 21.81% of which Tier – I capital was 19.70%. The following table sets forth certain details regarding our Company's CRAR and Tier – I and Tier – II capital ratios, as of the dates indicated:

Particulars	As of		
	March 31, 2025	March 31, 2024	March 31, 2023
CRAR (%) ⁽¹⁾	21.81	20.45	20.42
Tier I Capital (%) ⁽²⁾	19.70	16.60	14.60
Tier II Capital (%) ⁽²⁾	2.11	3.85	5.82

Notes:

⁽¹⁾ Capital-to-risk weighted assets ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets (Computed in accordance with the relevant RBI guidelines).

⁽²⁾ Tier I capital comprises share capital, share premium, retained earnings including current year profit. Tier II capital comprises provision on stage I loan assets and subordinated liability. Risk weighted assets represent the weighted sum of our credit exposures based on their risk (Computed in accordance with the relevant RBI guidelines).

The Tier – I capital and CRAR (comprising of Tier – I capital and Tier – II capital) of our Company as on March 31, 2025, were above the minimum statutory requirements of 10% and 15%, respectively, as disclosed above.

Set forth below are the details of our Assets Under Management (“AUM”) as of Fiscals ended March 31, 2025 and March 31, 2024 and March 31, 2023:

(₹ in million, except percentages)

Particulars	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
AUM	4,18,104.49	281,871.98	152,976.60
AUM growth (%)	48.33	84.26	73.09

Notes:

⁽¹⁾ AUM is the aggregate of Gross Loan Book and assigned loan assets, which represents the aggregate amount of off-book loan assets that have been transferred by way of assignment as at the last day of the specified period.

⁽²⁾ AUM Growth represents percentage growth in AUM as of the relevant balance sheet data over AUM as of the previous comparable period.

Set out below are details of our total Term Loans (Gross) and Gross Stage 3 loans (Gross NPAs) as at March 31, 2025:

(in million, unless stated otherwise)

Particulars	As at March 31, 2025
Total gross loans	4,17,096.39
Gross Stage 3 loans	798.76
Gross Stage 3 Loans (%) ⁽¹⁾	0.19

⁽¹⁾ Gross Stage 3 Loans (%) is computed by dividing the gross stage 3 loans with total gross loans as of the last day of the relevant year.

As we continue to grow our loan portfolio and asset base, we will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. The Net Proceeds will be utilised to increase our Company’s Tier – I capital base to meet our future capital requirements which are expected to arise out of growth of our business and assets. For further details, see “Our Business” on page 216.

The Net Proceeds are expected to lead to an improvement in the overall capital position of our Company, which in turn will help reducing the overall leverage of our Company, thus enabling us to optimize our leverage to a higher level to undertake onward lending to borrowers of education loans. Further, the Net Proceeds of ₹[●] may be utilized towards onward lending, among other things, and improve our CRAR, and enable us to leverage more through onward lending, from Financial Year 2026 onwards. We believe that maintaining higher Tier 1 capital will help us remain competitive with our industry peers. We anticipate that the portion of the Net Proceeds allocated towards this object will be sufficient to satisfy our Company’s future capital requirements, which are expected to arise out of growth of our business and assets.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹[●] million.

The Offer related expenses consist of, including but not limited to the listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Banks including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares of face value of ₹10 each on the Stock Exchanges.

Other than (a) listing fees, audit fees of the Joint Statutory Auditors (to the extent not attributable to the Offer) and expenses in relation to product or corporate advertisements consistent with past practice of our Company which will be borne by our Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders; each of our Company and the Selling Shareholders agrees that all costs, charges, fees and expenses associated with and incurred with respect to the Offer shall be shared among our Company and the Selling Shareholders, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and respective the Offered Shares transferred by each of the Selling Shareholders through the Offer for Sale, in accordance with Applicable Law. All such payments shall be made by our Company on behalf of the Selling Shareholders in the first instance and, each of the Selling Shareholders agree that it shall consequently reimburse our Company, in proportion to its respective portion of the Offered Shares, for the documented expenses incurred by our Company on behalf of such Selling Shareholder, upon the successful completion of the Offer directly from the Public Offer Account. Further, the expenses related to the Offer shall be deducted from the Offer proceeds and only the balance amount shall be paid to our Company and the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and the Offered Shares transferred by each of the Selling Shareholders through the Offer for Sale in accordance with the Cash Escrow and Sponsor Bank Agreement.

It is also clarified that, in the event that the Offer is withdrawn, abandoned, postponed or declared unsuccessful or the listing and trading approvals from the Stock Exchanges are not received for any reason whatsoever, all costs and expenses (including all applicable taxes) with respect to the Offer shall be shared among our Company and the Selling Shareholders, in the proportion of their respective Offered Shares, which may have accrued up to the date of such withdrawal, abandonment or failure. In such an event, the BRLMs and legal counsel shall be entitled to receive fees and reimbursement for expenses which may have accrued to it up to the date of such postponement, withdrawal, abandonment or failure as set out in their respective engagement letters.

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

Activity	Estimated expenses* (₹ in million)	As a % of the total estimated Offer expenses*	As a % of the total Offer size*
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/ processing fee for SCSBs and Bankers to the Offer and fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders. Brokerage, selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to other parties, including but not limited to Current Joint Statutory Auditor and Predecessor Statutory Auditor, Practicing Company Secretary, Independent Chartered Accountant and industry expert	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsel	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

* Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

- (1) Selling commission payable to SCSBs, on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured and uploaded by the SCSBs, would be as follows:

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

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. 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. No additional uploading/ processing

fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Application Form directly procured by them.

- (2) Processing fees payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking, would be as follows:

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

* Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors, Eligible Employees and Qualified Institutional Buyers with bids above ₹0.50 million would be ₹[●] plus applicable taxes, per valid Bid cum Application Form.

- (3) Uploading charges/processing fees for applications made by UPI Bidders would be as follows:

Members of the 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(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable law

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

- (4) Brokerage, selling commission on the portion for UPI Bidders (using UPI Mechanism), Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

- (5) Pursuant to SEBI ICDR Master Circular, 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). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹0.50 million and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RII Bids and NII Bids up to ₹0.50 million will not be eligible for brokerage. Processing fees payable to the SCSBs 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 UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular.

Means of finance

The fund requirements set out for the aforesaid object of the Offer is proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals, as required under the SEBI ICDR Regulations.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds in accordance with applicable laws. Pending utilization for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in the second schedule of the RBI Act, in accordance with applicable laws, as may be approved by our Board or Fund Raising Committee.

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 the equity shares of any other listed company or for any investment in equity markets.

Bridge Financing Facilities

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

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Gross Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the Fresh Issue size exceeds ₹1,000 million.

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

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

Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Variation in Object

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules and such Postal Ballot Notice shall be placed on the website of our Company. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, being the regional language of Maharashtra, where our Registered Office and Corporate Office is situated in accordance with the Companies Act, 2013 and applicable rules. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoter 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 and in accordance with such terms and conditions, including in respect of proving of the Equity Shares, in accordance with the Companies Act and the SEBI ICDR Regulations.

Other Confirmations

Except to the extent of the proceeds received by the Selling Shareholders pursuant to the Offer for Sale portion, no part of the Net Proceeds will be paid by us as consideration to our Promoter, member of the Promoter Group, Group Companies, the Directors and Key Managerial Personnel, Senior Management Personnel except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoter, member of the Promoter Group, Group Companies, Directors, Key Managerial Personnel and Senior Management Personnel in relation to the utilisation of the Net Proceeds. Further there is no existing or anticipated interest of such individuals and entities in the object of the Offer as set out above.

BASIS FOR OFFER PRICE

The Price Band, and Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value of ₹10, Floor Price is [●] times the face value of ₹10 and Cap Price is [●] times the face value of ₹10. Investors should also refer to “Our Business”, “Summary of Financial Information”, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 216, 91, 42, 328 and 439, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are set forth below:

- Established presence in the large and growing education loan market in India;

According to the Industry Report, higher education in India offers a large and growing opportunity, with education being a key priority for Indian households and a driver of social and economic mobility. The education loan market has emerged as the fastest-growing market within NBFC-retail credit in India, having grown at a CAGR of approximately 43% between Financial Years 2019 and 2024, and approximately 71% between Financial Year 2021 and 2024 and has outpaced other major loan products during the period between the Financial Years 2021 and 2024 (*Source: Industry Report*).

- Largest and longest serving education-focused NBFC in India;

We are an education finance company focused on providing education loans to Indian students pursuing higher education in India and overseas. We primarily provide loans to students pursuing master’s programs in the science, technology, engineering and mathematics domain, master’s in business administration, undergraduate programs, and students enrolled in diploma programs, professional degrees, certificate courses and executive and technical programs. Founded in 2006, we are India’s largest education-focused NBFC, with an AUM of ₹418,104.49 million as of March 31, 2025, and are the longest serving in the sector based on inception year among education-focused NBFCs in India (*Source: Industry Report*). We are also the largest education finance NBFC in India in terms of disbursements of ₹153,088.59 million for the Financial Year 2025 and had the highest restated profit after tax of ₹9,899.58 million for the Financial Year 2025 (*Source: Industry Report*). We are also the fastest growing education-focused NBFC in India with a year-on-year growth of 48.33% in AUM between March 31, 2024 and March 31, 2025 (*Source: Industry Report*). We have a market share of approximately 19.7% in the education loan market in India in terms of loans outstanding as of November 30, 2024, increasing from approximately 7% as of March 31, 2019 (*Source: Industry Report*), having consistently increased our market share over the years while maintaining robust asset quality.

- Pan-India presence with a large, omni-channel asset-light distribution network;

Our omni-channel distribution network comprises distribution agents, banks and financial institutions and direct channels (including digital leads and referrals), who refer students and their parents to us. As of March 31, 2025, we have a presence in 41 cities with a network comprising eight regional offices in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, Ahmedabad and Kolkata, and 32 branch locations in India with 861 full-time sales employees (on-roll and off-roll). We have active sourcing arrangements with banks and leverage their widespread network of branches and customer base to generate leads for us. Furthermore, as of March 31, 2025, we have a pan-India network of 1,672 distribution agents who augment our existing branch network and provide guidance and assistance to students throughout their overseas education journey.

- High asset quality loan portfolio built through specialized underwriting;

Our specialised approach to underwriting underpinned by proprietary data and risk-based pricing has resulted in a high asset quality loan portfolio across multiple credit cycles. This is supported by our extensive experience in both the overseas and Indian education markets, where we have developed a deep understanding and knowledge of various countries, universities, and courses. We monitor asset quality using a static pool analysis, with 32.5% of our total disbursements as of March 31, 2025 (aggregating to ₹174,673.04 million)

having a vintage of more than 36 months, 23.4% (aggregating to ₹125,975.03 million) having a vintage of more than 48 months, and 20.4% (aggregating to ₹109,530.02 million) having a vintage of more than 60 months. This reflects a 90+ delinquency rate of 0.08% at 36 months on book (“**MOB**”), 0.16% at 48 MOB, and 0.21% at 60 MOB.

- Robust risk management framework supported by technology and data analytics; and

We have implemented a comprehensive risk management framework to identify, assess, mitigate, and monitor the various risks arising from our business activities. Our framework covers key enterprise risks, including credit, financial and operational (including information security) risks, with a focus on specialization and accountability within our risk management team. We leverage technology and data analytics across our operations through initiatives such as our loan origination system, data lake and portfolio monitoring initiatives.

- Well-funded and diversified liability profile with conservative and prudent approach to asset-liability management.

We have a well-funded and diversified liability profile which enables us to access a broad spectrum of funding at competitive costs and maintain a high level of liquidity. We follow a conservative approach to asset-liability management, aiming to closely align the tenor of our assets and liabilities. Our loans, i.e., our assets, are offered at variable interest rates and we seek to match our assets and liabilities, to the extent possible, in order to reduce our interest rate risks.

Quantitative factors

The information presented below relating to our Company is derived from the Restated Financial Information. For further information, see “*Financial Statements*” on page 328.

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

I. Basic and diluted restated earnings per Equity Share (“EPS”)

Financial Year ended	Basic Restated EPS (₹)	Diluted Restated EPS (₹)	Weight
March 31, 2025	47.80	47.69	3
March 31, 2024	33.83	33.81	2
March 31, 2023	20.56	20.47	1
Weighted Average	38.60	38.53	

- 1) Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- 2) Basic earnings per share (₹) = Basic earnings per share are calculated by dividing the net profit or net loss for the year attributable to equity shareholders by the weighted average number of Equity Shares of face value of ₹10 each outstanding during the year
- 3) Diluted earnings per share (₹) = Diluted earnings per share are calculated by dividing the net profit or net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares outstanding during the year.
- 4) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- 5) 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

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

Particulars	P/E at the lower end of the Price Band (number of times)*	P/E at the higher end of the Price Band (number of times)*
Based on basic EPS for Fiscal 2025	[●]	[●]
Based on diluted EPS for Fiscal 2025	[●]	[●]

* The details shall be provided post the fixing of the price band by Company at the stage of filing the Red Herring Prospectus or the filing of the price band advertisement, as relevant. Notes:

III. Industry Peer Group P/E ratio

The highest, lowest and industry average P/E ratio of our peer group (other than the Company) is set forth below:

Particulars	Industry P/E
Highest	45.56
Lowest	3.45
Average	26.76

Notes:

- The highest and lowest industry P/E shown above is based on the peer set provided below under “- Comparison of accounting ratios with unlisted and listed industry peers”.
- The industry average has been calculated as per the arithmetic average P/E of the diluted EPS of the peer set provided below under “- Comparison of accounting ratios with unlisted and listed industry peers” below.
- All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the Stock Exchanges.

IV. Return on Net Worth (“RoNW”)

Financial Year ended	RoNW (%)	Weight
March 31, 2025	14.41	3
March 31, 2024	14.14	2
March 31, 2023	14.54	1
Weighted Average	14.34	

Notes:

- Return on Net Worth (RoNW) is calculated as restated profit for the year divided by the average net worth for the relevant year.
- Net worth means aggregate of equity share capital and other equity as at the end of the year as per the Restated Financial Information. Average Net worth represents the simple average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as of the last day of the relevant period and Total Equity as at the end of previous fiscal year.
- Weighted average return on net worth = Product of return on net worth and the respective assigned weight, dividing the resultant by the total aggregate weight.

V. Net Asset Value (“NAV”) per Equity Share (face value of ₹10 each)

NAV per Equity Share	Particulars
As on March 31, 2025	397.39
As on March 31, 2024	281.49
After the Offer	
(i) At Floor Price	[●]*
(ii) At Cap Price	[●]*
(iii) At Offer Price	[●]*

* To be computed after finalisation of the Price Band. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

Notes:

- Net Asset Value per equity share = Net worth at the end of the year, as restated, divided by the number of Equity Shares outstanding at the end of the year.
- Net worth means aggregate of equity share capital and other equity as at the end of the year as per the Restated Financial Information.

VI. Comparison of accounting ratios with unlisted and listed industry peers

We are an Indian education finance company focused on providing education loans to Indian students pursuing higher education in India and overseas. We primarily provide loans to students pursuing masters’ programs in the science, technology, engineering and mathematics domain, master’s in business administration, undergraduate programs, and students enrolled in diploma programs, professional degrees, certificate courses and executive and technical programs. As of March 31, 2025, all of our loans are retail loans, and 94.65% and 5.35% of our AUM was attributable to students pursuing higher education overseas and in India, respectively.

According to the Redseer Report, education based NBFCs in India include Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited), Avanse Financial Services Limited and Auxilo Finserve Private Limited based on the size of AUM. Hence, the education focused financing business

in which we operate has a few NBFCs, none of which have their equity shares listed on stock exchanges in India.

While we have considered the below listed companies as our peer group companies on account of similar operating size, scale and certain aspects of our business, these NBFCs are not education focused NBFCs and hence they are not completely comparable.

Name of the Company	Closing Market Price (₹)	Revenue from operations for Fiscal 2025 (₹ in millions)	Face Value (₹ per share)	EPS (Basic) (₹ per share)	EPS (Diluted) (₹ per share)	Return on Net Worth (%)	NAV per equity share (₹ per share) ^y	Price to Earning (Basic EPS) (times)	Price to Earning (Diluted EPS) (times)
Our Company	[●]*	47,197.3 ₁ [#]	10.00	47.80 [#]	47.69 [#]	14.41 [#]	397.39 [#]	[●]*	[●]*
Education Focused NBFC's Unlisted Peers									
Avanse Financial Services Limited	N.A.	23,470.7 ₂	5.00	19.94	19.25	12.84%	N.A.	N.A	N.A
Auxilo Finserve Private Limited	N.A.	5,280.97	10.00	2.13	2.11	9.39%	N.A	N.A	N.A
Listed Peers									
Home First Finance Limited	1,385.80	15,299.4 ₇	2.00	42.83	42.07	16.46%	279.97	32.36	32.94
Five Star Business Finance Limited	753.30	28,478.4 ₀	1.00	36.61	36.50	18.65%	214.13	20.58	20.64
Cholamandalam Investment and Finance Company Limited	1,608.80	258,459.8	2.00	50.72	50.60	19.71%	281.45	31.72	31.79
Bajaj Housing Finance Limited	121.65	95,756.1 ₀	10.00	2.67	2.67	13.44%	23.95	45.56	45.56
Aavas Financiers Limited	1,880.90	23,545.0 ₅	10.00	72.54	71.97	14.12%	550.93	25.93	26.13
Bajaj Finance Limited	928.20	696,835.10	1.00	268.94	268.20	19.35%	1,557.43 [^]	34.51 [^]	34.61 [^]

*To be computed after finalisation of the Price Band

[^] Effect of Split and bonus post March 31, 2025 has not been considered for the calculation.

[#] Provided on a restated basis.

Notes:

- Financial information for Company is derived from the Restated Financial Information for Fiscal 2025.
- All the financial information for unlisted and listed industry peers mentioned above is on an audited consolidated basis and sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the Stock Exchanges.
- Return on Net Worth (RoNW) is calculated as restated profit for the relevant year divided by the average net worth for the relevant year. Average Network represents the simple average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as of the reporting date and Total Equity as of the last day of the previous fiscal year.
- Net Asset Value per equity share = Net worth at the end of the relevant year, as restated, divided by the number of Equity Shares outstanding at the end of the relevant year as per the Restated Financial Information.
- P/E Ratio has been computed based on the closing market price of equity shares on BSE on June 25, 2025 divided by the Basic and Diluted EPS provided respectively.

VII. Key Performance Indicators (“KPIs”)

The table below sets forth the details of our KPIs that our Company considers to have a bearing for arriving at the basis for Offer Price. The KPIs disclosed in the table below have been selected in accordance with the standards set out in the SEBI circular titled “Industry Standards on Key Performance Indicators (“KPIs”) Disclosures in the draft Offer Document and Offer Document” dated February 28, 2025. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 9, 2025 (copy made available in item no. (i) under “*Material Contracts and Documents for Inspection*” on page 595) and certified by the Chief Financial Officer on behalf of the management of our Company by way of certificate dated June 26, 2025, and the Audit Committee has verified the details of all KPIs pertaining to the Company and confirmed that the KPIs pertaining to our Company that have been disclosed to our investors at any point of time during the three years period prior to the date of filing of this Updated Draft Red Herring Prospectus-I have been disclosed in this section, and also noted that these KPIs have been subject to verification and certification by Mukund M. Chitale and Co., Independent Chartered Accountants, with firm registration number 106655W, pursuant to certificate dated June 26, 2025, which has been included as part of the “*Material Contracts and Documents for Inspections*” on page 595. The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of our Company and were presented in the past meetings of our Board or shared with the Shareholders during the three years preceding the date of the Red Herring Prospectus, which have been consequently identified as relevant and material KPIs and are disclosed in this “*Basis for Offer Price*” section.

In addition to the above, the Audit Committee also noted that other than the below mentioned KPIs:

- there are certain items / metrics which have not been disclosed in this Updated Draft Red Herring Prospectus-I as these metrics are either used for internal analysis, sensitive to the business and operations, not critical or relevant for analysis of our financial and operational performance or such items do not convey any meaningful information to determine performance/ valuation of our Company; and
- there are certain items / metrics which are included in the business description, management discussion & analysis, selected statistical information or financials in this Updated Draft Red Herring Prospectus-I which are purely operational in nature and are not considered to be performance indicators or deemed to have a bearing on the determination of Offer price. For details, see “*Our Business*”, “*Selected Statistical Information*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, and “*Financial Statements*” on pages 216, 319, 439 and 328, respectively.

We have described and defined the KPIs, as applicable, in the section “*Definitions and Abbreviations*” on page 6.

Our Company confirms that it shall continue to disclose all the KPIs included in this section, as required under the SEBI ICDR Regulations on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), until (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) complete utilisation of the proceeds of the Offer, as per the disclosure made in the section “*Object of the Offer*” on page 129 of this Updated Draft Red Herring Prospectus-I, whichever is later, or such other duration as may be required under the SEBI ICDR Regulations.

Set forth below are lists of our KPIs that have been used historically by our Company to understand and analyse the business performance which in result, help us in analyzing our performance in comparison to our listed peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for the Offer Price:

Metrics	Units	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM (1)	₹ in millions	418,104.49	281,871.98	152,976.60
AUM Growth (2)	%	48.33	84.26	73.09
Total Net Loans (3)	₹ in millions	414,693.08	280,832.16	152,389.01
Disbursements (4)	₹ in millions	153,088.59	140,892.15	79,917.41
Disbursements Growth (5)	%	8.66	76.30	85.47
Disbursement - Overseas Education Loan (6)	₹ in millions	145,705.76	134,388.26	75,018.47
Average Ticket Size (Sanctioned Loan) (7)	₹ in millions	3.59	3.50	3.24

Outstanding number of education loans (8)	Number	150,339	115,711	72,416
Cumulative number of education loans disbursed (9)	Number	226,570	178,372	124,769
Number of countries covered (10)	Number	64	63	59
Number of universities (11)	Number	5,290	4,682	4,196
Number of employees (12)	Number	1,478	1,200	898
AUM per Employee (13)	₹ in millions	282.89	234.89	170.35
No. of Branches (14)	Number	32	26	26
Total Income (15)	₹ in millions	47,260.00	27,710.41	13,521.76
Restated Net Profit after tax (16)	₹ in millions	9,899.58	5,288.39	2,759.25
Net Worth (17)	₹ in millions	86,945.06	50,433.64	24,350.92
Total Borrowings (18)	₹ in millions	388,690.14	260,328.27	136,552.21
Average Yield on Loans (19)	%	11.92	11.66	10.78
Average cost of borrowing (20)	%	8.92	8.72	7.68
Net Interest Margin (21)	%	4.03	3.85	4.00
Cost to Income Ratio (22)	%	19.65	27.10	29.43
Operating expense to Average Total Assets (23)	%	0.90	1.17	1.24
Credit cost to Average Total Assets (24)	%	0.37	0.21	0.08
Return on Total Assets (25)	%	2.48	2.20	2.16
Return on Equity (ROE) (26)	%	14.41	14.14	14.54
Tier I Capital Ratio (27)	%	19.70	16.60	14.60
Capital to risk weighted assets ratio (28)	%	21.81	20.45	20.42
Debt to Equity Ratio (29)	Times	4.47	5.16	5.61
Net Asset Value per equity share (30)	₹	397.39	281.49	164.76
Collection efficiency (31)	%	99.07	98.87	98.88
Gross Stage 3 loans (32)	%	0.19	0.08	0.17
Net Stage 3 loans (33)	%	0.07	0.03	0.10
Provision coverage ratio (34)	%	65.01	54.41	40.40
Cumulative w/off since inception (35)	₹ in millions	96.95	26.61	12.20
Credit Ratings (36)		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE

Notes:

- (1) Assets Under Management (AUM) is the aggregate of Gross Loan Book and assigned loan assets, which represents the aggregate amount of off-book loan assets that have been transferred by way of assignment as at the last day of the specified period.
- (2) AUM Growth represents percentage growth in AUM as of the relevant balance sheet date over AUM as of the previous comparable period.
- (3) Total Net Loans represents aggregate of loan receivable (including overdue) from the borrowers after considering impairment loss allowances as on the last day of the relevant year.
- (4) Disbursements represents the aggregate of all loan amounts disbursed to our borrowers in the relevant year.
- (5) Disbursement Growth represents percentage growth in Disbursements for the relevant year over Disbursement of the previous comparable period.
- (6) Disbursements - Overseas Education Loan represents the aggregate of all loan amounts disbursed in the relevant year to our borrowers studying in universities overseas.
- (7) Average Ticket Size (Sanctioned Loan): Total amount Sanctioned during the relevant period divided by number of sanctions during the relevant period
- (8) Outstanding number of education loans: This represents the total count of education loans based on outstanding AUM as of the last day of relevant period.
- (9) Cumulative number of education loans disbursed: This represents the total count of education loans disbursed since inception up to the last day of relevant period.
- (10) Number of countries covered: This represents the total number of countries where our Company has disbursed education loans up to the end of the relevant period
- (11) Number of universities: This represents the total number of universities where our Company has disbursed education loans up to the end of the relevant period
- (12) Number of employees: This represents the total number of employees; including on-roll and off-roll as of the last day of the relevant period
- (13) AUM per Employee: AUM per employee represents AUM as of the last day of the relevant year, divided by the number of our total employees, as of the last day of the relevant year.
- (14) Number of Branches: This represents the total number of active branches as of the last day of the relevant period.

- (15) *Total Income: This represents the Total Income for the relevant period; includes revenue from operations and other income as per the Restated Financial Information.*
- (16) *Restated Net profit after tax for the year represents the net profit after tax for the relevant period.*
- (17) *Net worth means aggregate of equity share capital and other equity as at the end of the relevant year as per the Restated Financial Information.*
- (18) *Total Borrowings: Outstanding borrowings at the last day of the specified period. Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as at the last day of specified period.*
- (19) *Average Yield on Loans is the ratio of Interest Income on Education Loans to the Average Gross Loans. Average Gross Loans here computed as average of Loan Book as at the end of previous fiscal year and as at the end of the relevant year.*
- (20) *Average Cost of Borrowings is the ratio of finance cost to Average Total Borrowings. Average Borrowings here computed as average of total borrowings as at the end of previous fiscal year and as at the end of the relevant year.*
- (21) *Net Interest Margin is computed as the sum of Interest Income and Net Gain/(Loss) on Fair Value changes less Finance Costs for the year divided by the Average Interest Earning Assets, expressed as a percentage. Average Interest Earning Assets here computed as average of total interest earning assets as at the end of previous fiscal year and as at the end of the relevant year.*
- (22) *Cost to Income Ratio represents the ratio of operating expenses, which is aggregate of employee benefits expense, depreciation and amortization expense, other expenses divided by the total income less finance cost for the relevant year, expressed as a percentage.*
- (23) *Operating Expenses to Average Total Assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant year upon the average of total assets as at the end of previous fiscal year and total assets as at the end of relevant year, represented as a percentage.*
- (24) *Credit Cost to Average Total Assets represents impairment of financial instruments for the relevant year upon the average of total assets as at the end of previous fiscal year and total assets as at the end of relevant year, represented as a percentage.*
- (25) *Return on Total Assets is computed as Restated Net Profit after Tax divided by Average Total Assets for the specified year. Average Total Assets here represents the simple average of our Total Assets as at the end of previous fiscal year and Total Assets as at the end of the relevant year, represented as a percentage;*
- (26) *Return on Equity is computed as Restated Net Profit after Tax divided by Average Equity for the specified year. Average Equity here represents the simple average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as at the end of previous fiscal year and Total Equity as at the end of the relevant year.*
- (27) *Tier I Capital Ratio is computed by dividing our Company's Net Owned Funds by risk weighted assets, each as computed in accordance with relevant RBI guidelines.*
- (28) *Capital to Risk Weighted Assets Ratio is computed by dividing our Company's Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.*
- (29) *Debt to Equity Ratio is computed by dividing our total borrowings by total equity of the relevant year.*
- (30) *Net Asset Value per equity share = Net worth at the end of the period, as restated, divided by the number of Equity Shares outstanding at the end of the period.*
- (31) *Collection Efficiency: Collection Efficiency is computed as average of Current Collections for the month divided by Current billings for the month.*
- (32) *Gross Stage 3 Loans (%) is computed by dividing the Gross Stage 3 Loans by Gross Loans as of the end of the relevant year.*
- (33) *Net Stage 3 Loans (%) is computed by dividing the Net Stage 3 Loans by Net Loans as of the end of the relevant year.*
- (34) *Provision Coverage Ratio is computed by dividing the impairment loss allowance for Stage 3 loans by Gross Stage 3 Loans as of the end of the relevant year.*
- (35) *Cumulative w/off since inception represents the amount written off by our company since inception up to the relevant period.*
- (36) *Credit Rating represents credit rating issued by a SEBI registered rating agency for various long-term borrowing facilities availed by our Company.*

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating and analyzing our business performance, we use certain KPIs historically as a supplemental measure to review and assess our financial and operating performance which in result, help us in analyzing the growth of business in comparison to our peers. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. 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 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. The Investors can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision.

Investors are encouraged to review the Ind AS financial measures and not rely on any single financial or operational metric to evaluate our business. For details, see *"Risk Factors – We have included certain non-GAAP financial measures and other statistical information related to our operations in this Updated Draft Red Herring Prospectus-I. Such non-GAAP measures and statistical information may vary from standard*

methodologies that are used across the financial services industry and may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies” on page 76.

Explanation for the KPI metrics:

A list of our KPIs along with a brief explanation of the relevance of the KPIs to our business operations are set forth below. All such KPIs have been defined consistently and precisely in “*Definitions and Abbreviations – Key Operational and Financial Metrics used in this Updated Draft Red Herring Prospectus-I*” on page 17.

Sr. No.	Particulars	Explanation	Relevance
1.	AUM	Assets Under Management (AUM) is the aggregate of Gross Loan Book and assigned loan assets, which represents the aggregate amount of off-book loan assets that have been transferred by way of assignment as at the last day of the specified period. AUM indicates the total loans managed by the Company which drives the Net Interest Income of the Company and is necessary in evaluating the overall size and performance of the Company	Used by the management to assess the scale and growth of the Company
2.	AUM Growth	AUM indicates the total loans managed by the Company which drives the Net Interest Income of the Company and is necessary in evaluating the overall size of the Company. Accordingly, AUM growth is disclosed as KPI	
3.	Total Net Loans	This represents the net loan book as disclosed in the balance sheet of the Company. Indicates the net loans which drives the Net Interest Income of the Company and is necessary in evaluating the overall size of the Company	
4.	Disbursements	It is an important metric to track as they indicate the actual loan funds provided to students, reflecting business activity and market penetration	Used by the management to assess the customers served, reach of the Company across country of study, universities and organisational scale of the Company
5.	Disbursements Growth	Growth in disbursements is an important driver of growth in business of the Company that is used for evaluating the performance of the Company and hence is disclosed as KPI	
6.	Disbursement - Overseas Education Loan	This is an important metric to track given the company's focus on Overseas education loans	
7.	Average Ticket Size (Sanctioned Loan)	Average Ticket Size (Sanctioned Loan) is a relevant metric for the education loan industry as it reflects the typical loan amount granted, helping assess loan volume and market demand	
8.	Outstanding number of education loans	This indicates the number of active education loans outstanding which is an important metric to evaluate a NBFC engaged in the lending business	
9.	Cumulative number of education loans disbursed	This represents the total count of student loans disbursed since inception up to the last day of relevant period and is relevant to assess the customers served and scale of the Company	
10.	Number of countries covered	The number of countries covered is a relevant metric for the education loan industry as it indicates the global reach and accessibility of loan services for students abroad	
11.	Number of universities	The number of universities is a relevant metric for the education loan industry as it reflects the demand for education financing and potential market growth	Used by the management to assess the productivity of the Company
12.	Number of employees	The number of employees is an important metric to track as it reflects company's operational capacity, scalability, and efficiency in managing loan processes	
13.	AUM per Employee	AUM per employee denotes the operating efficiency of the Company and hence is disclosed as a KPI.	
14.	No. of Branches	Number of Branches indicates the strength of the distribution network and the reach of the Company and hence is a important metric to track and is disclosed as a KPI	Used by the management to assess the geographical reach of the Company across branches.
15.	Total Income	Disclosed as KPI. Indicates the overall Income earned by the Company for the relevant financial year which is an important metric for tracking the income of the Company	Used by the management to assess the financial performance and profitability and cost efficiency of the business of our Company
16.	Restated Net Profit After Tax	Net Profit is the key indicator of profitability and one of the key determinants for the valuation of the Company	
17.	Net Worth	Net worth is an important metric to track as it indicates the overall size of the company	
18.	Total Borrowings	Overall Borrowing amount is an important metric to be considered in evaluation of a company especially as an NBFC and hence is disclosed as KPI	
19.	Average Yield on Loans	Since the core business of company is lending, it would be an important metric to track.	
20.	Average cost of borrowing	Since the core business of company is lending, it would be an important metric to understand the cost aspect.	

Sr. No.	Particulars	Explanation	Relevance
21.	Net Interest Margin	This would indicate the operational profitability and financial performance of the business	
22.	Cost Income Ratio	Cost to Income Ratio represents the ratio of operating expenses, which is aggregate of employee benefits expense, depreciation and amortization expense, other expenses divided by the total income less finance cost for the relevant year, expressed as a percentage. This metrics represents the operating efficiency of the Company.	
23.	Operating expense to Average Total Assets	Operating Expenses to Average Total Assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant year upon the average total assets for the relevant year, represented as a percentage. This metrics represents the operating efficiency of the Company and hence is disclosed as a KPI.	
24.	Credit cost to Average Total Assets	Credit Cost % is a widely used metric for evaluation of business of Banks and NBFCs and hence is disclosed as a KPI	
25.	Return on Total Assets	This is an important metric to track as it helps determine how efficiently our Company generates profits by utilising its assets	Used by the management to assess the ability of the Company to generate returns on its business
26.	Return on Equity (ROE)	This is an important metric to track as it helps determine how efficiently our Company generates profits from shareholders' funds.	Used by the management to ensure the adequacy of capital for the business growth of our Company while ensuring that the Company meets the regulatory requirements.
27.	Tier I Capital Ratio	The Company being an NBFC is required to maintain minimum Tier 1 Capital as a % of the risk weighted assets in accordance with the RBI guidelines. This is an important parameter to evaluate a company from capitalisation perspective	
28.	Capital to risk weighted assets ratio	The Company being an NBFC is required to maintain minimum Capital Adequacy Ratio (CRAR) consisting of Tier 1 and Tier 2 Capital as a % of the risk weighted assets in accordance with the RBI guidelines. This is an important parameter to evaluate a company from capitalisation perspective	
29.	Debt to Equity ratio	This is a key metric to track the capitalisation level of the Company which determines the capital available for future growth and is a key metric for the valuation of the company	
30.	Net Asset Value per equity share	This is the Net Asset Value per share and is a key factor for the valuation of the Company on a per share basis based on the Price to Book Multiple (P/B). P/B is a widely used metric to compare and evaluated valuation of Banks / NBFCs, and hence is disclosed as a KPI.	Net Asset Value per share represents book value of the company.
31.	Collection efficiency	Collections Efficiency % indicates the amount recovered by the Company against the amount due for the particular period and is one of the key metrics tracked for evaluating the asset quality of Banks / NBFCs and hence is being disclosed as a KPI	Used by the management to assess the asset quality of the loan book and the adequacy of provisions against non-performing assets and write offs over a period of time.
32.	Gross Stage 3 loans	Gross Stage 3 Loan (%) represents amount of Gross Stage 3 Loans as a percentage of Gross Loans and it is an important metric reflecting the asset quality for the Company	
33.	Net Stage 3 loans	Net Stage 3 Loan (%) refers to the amount of Net Stage 3 Loans as a percentage of Net Loans. This metric is relevant in assessing the percentage of credit impaired loans net of provisions	
34.	Provision coverage ratio ¹	Provision Coverage Ratio indicates the level of provisioning made by the Company for the credit impaired loans and is an important asset quality metric for evaluation of NBFCs and hence is disclosed as a KPI	
35.	Cumulative w/off since inception	Cumulative write-off since inception is a relevant metric for the education loan industry as it reflects the total amount of bad debt written off, helping assess risk and loan repayment trends	Credit Ratings represent the credit worthiness of our Company's debt facilities on the basis of the assessment by independent rating agencies.
36.	Credit Ratings	Credit Rating is an important parameter that drives the borrowing costs of an NBFC, being the major source of funding and hence is an important parameter for evaluation of the Company and being disclosed as a KPI	

For details of our other business and operating metrics disclosed elsewhere in this Pre-Draft Red Herring Prospectus, see “Our Business”, “Selected Statistical Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Overview” on pages 216, 319 and 439, respectively.

Comparison of the KPIs with our unlisted and listed peers

While we have considered the below unlisted and listed companies as our peer group companies on account of similar operating size, scale and certain aspects of our business, these listed NBFCs are not education focused NBFCs and hence they are not completely comparable. For details, “ – comparison of accounting ratios with unlisted and listed industry peers” on page 138.

(A) Education Focused NBFC's Unlisted Peers

(I) Avanse Financial Services Limited:

Metrics	Units	Company			Avanse Financial Services Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	NA	133,030.47	86,460.68
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	NA	53.86	78.80
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	172,628.81	123,968.21	83,734.69
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	NA	63,350.03	61,416.31
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	NA	3.15	109.81
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	47,127.95	34,079.94
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	NA	NA	NA
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	35,802	22,746
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	49	48
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	1,585	1,506
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	NA	672	521
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	NA	197.96	165.95
No. of Branches ⁽¹⁴⁾	Number	32	26	26	NA	19	16
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	23,517.55	17,288.07	9,902.28
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	5,021.23	3,424.03	1,577.11
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	41,420.01	36,765.54	21,497.46
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	144,735.81	101,352.49	72,101.26
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	NA	13.21	12.81
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	9.89	10.10	9.98
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	NA	4.85	4.68
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	35.06	36.84	42.74
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	2.39	2.61	2.54
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	0.39	0.66	0.61
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	3.01	2.84	2.08
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	12.84	11.75	9.98

Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	NA	26.94	24.35
Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	22.44	27.52	24.86
Debt to Equity ratio ⁽²⁹⁾	<i>Times</i>	4.47	5.16	5.61	3.49	2.76	3.35
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	292.01	201.59
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	NA	94.80	95.14
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	0.26	0.43	0.56
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	0.04	0.13	0.17
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	NA	69.70	69.32
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA & CARE	CARE AA-/ Stable and CRISIL AA-/Stable	CARE AA-/ Stable	CARE A+/Positive

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

(II) Auxilo Finserv Private Limited

Metrics	Units	Company			Auxilo Finserv Private Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	NA	28,784.60	16,905.10
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	NA	70.27	119.75
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	42,675.55	28,593.90	16,765.49
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	NA	13,434.70	10,162.00
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	NA	32.21	189.99
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	NA	NA
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	NA	NA	NA
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	NA	NA
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	NA	NA
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	NA	NA
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	NA	349	263
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	NA	82.48	64.28
No. of Branches ⁽¹⁴⁾	Number	32	26	26	NA	8	7
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	5,436.43	3,673.29	1,908.34
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	1,119.40	692.19	257.47
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	13,951.26	9,883.00	4,583.39
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	34,178.11	23,451.94	14,599.27
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	NA	13.66	13.66
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	9.79	10.26	9.96
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	NA	5.08	5.63
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	37.69	42.18	58.84
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	2.40	2.73	3.98
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	0.31	0.26	0.32
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	2.72	2.60	1.83
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	9.39	9.57	6.08
Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	NA	31.22	24.39

Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	29.99	31.49	24.71
Debt to Equity ratio ⁽²⁹⁾	<i>Times</i>	4.47	5.16	5.61	2.45	2.37	3.19
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	26.22	12.18
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	NA	NA	NA
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	0.52	0.90	1.65
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	0.08	0.50	1.18
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	NA	NA	NA
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE	CARE A+/Stable, CRISIL A+/Stable	CARE A+/Stable, CRISIL A+/Stable	CARE A/Stable, CRISIL A/Stable

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

(B) Listed Peers**(I) Aavas Financiers Limited (Standalone)**

Metrics	Units	Company			Aavas Financiers Limited (Standalone)		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	204,201.76	173,126.50	141,666.66
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	17.95	22.21	24.82
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	162,297.09	140,043.67	114,762.75
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	61,230.06	55,822.00	50,250.00
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	9.70	11.09	39.51
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	NA	NA
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	0.97	0.93	0.89
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	NA	NA
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	NA	NA
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	NA	NA
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	NA	8,545	7,065
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	NA	20.26	20.05
No. of Branches ⁽¹⁴⁾	Number	32	26	26	397	367	346
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	23,584.15	20,202.96	16,101.46
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	5,741.08	4,906.94	4,300.72
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	43,608.32	37,733.15	32,696.60
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	138,498.64	123,364.96	98,406.91
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	NA	12.43	12.55
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	7.69	7.47	6.64
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	NA	6.34	6.79
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	43.15	44.92	44.30
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	3.32	3.58	3.70
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	0.15	0.16	0.10
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	3.27	3.28	3.52
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	14.12	13.93	14.15

Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	44.38	43.76	46.66
Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	44.50	43.98	46.96
Debt to Equity ratio ⁽²⁹⁾	Times	4.47	5.16	5.61	3.18	3.27	3.01
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	476.79	413.58
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	NA	NA	NA
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	1.08	0.94	0.92
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	0.73	0.67	0.68
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	60.87	67.12	64.33
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE	ICRA AA/Stable, CARE AA/Stable	ICRA AA/Stable, CARE AA/Stable	ICRA AA/Stable, CARE AA/Stable

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

(II) Home First Finance Company Limited

Metrics	Units	Company			Home First Finance Company Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	127,127.00	96,978.00	71,980.00
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	31.09	34.73	33.79
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	106,487.00	81,434.38	59,957.00
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	48,052.60	39,634.00	30,130.00
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	21.24	31.54	48.35
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	NA	NA
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	1.17	1.15	1.11
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	NA	NA
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	NA	NA
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	NA	NA
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	1,634	1,249	993
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	77.80	77.64	72.49
No. of Branches ⁽¹⁴⁾	Number	32	26	26	155	133	111
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	15,392.03	11,565.45	7,955.98
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	3,820.68	3,057.20	2,282.90
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	25,212.82	21,214.85	18,173.39
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	95,506.99	73,021.02	48,134.73
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	13.52	13.59	13.12
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	8.49	8.25	7.35
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	6.29	6.98	7.48
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	35.63	35.22	35.53
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	2.70	2.84	2.94
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	0.26	0.31	0.36
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	3.51	3.76	3.85
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	16.46	15.52	13.46
Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	32.47	39.10	48.90

Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	32.84	39.50	49.40
Debt to Equity ratio ⁽²⁹⁾	Times	4.47	5.16	5.61	3.79	3.44	2.65
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	239.67	206.48
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	99.40	99.10	99.30
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	1.70	1.70	1.60
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	1.30	1.20	1.10
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	46.60	50.90	59.50
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE	CARE AA- /Stable, ICRA AA- /Stable	CARE AA- /Stable, ICRA AA- /Stable	CARE AA- /Stable, ICRA AA- /Stable

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

(III) Five Star Business Finance Limited

Metrics	Units	Company			Five Star Business Finance Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	118,770.00	96,406.00	69,148.30
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	23.20	39.42	36.47
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	116,867.90	96,850.73	68,221.96
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	49,697.00	48,814.00	33,914.40
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	1.81	43.93	93.11
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	NA	NA
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	0.36	0.34	0.30
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	NA	NA
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	NA	NA
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	NA	NA
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	11,934	9,327	7,347
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	9.95	10.34	9.41
No. of Branches ⁽¹⁴⁾	Number	32	26	26	748	520	373
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	28,660.24	21,951.01	15,289.28
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	10,725.00	8,359.00	6,035.00
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	63,046.07	51,961.55	43,395.35
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	79,219.94	63,158.45	42,472.79
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	NA	25.23	24.69
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	9.38	8.87	7.82
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	NA	16.69	16.55
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	30.87	32.16	34.67
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	5.20	5.45	5.82
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	0.68	0.54	0.27
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	8.22	8.20	8.02
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	18.65	17.53	14.99
Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	NA	50.50	67.17

Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	50.10	50.50	67.17
Debt to Equity ratio ⁽²⁹⁾	<i>Times</i>	4.47	5.16	5.61	1.26	1.22	0.98
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	177.68	148.94
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	NA	NA	NA
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	1.79	1.38	1.36
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	0.88	0.63	0.69
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	51.31	54.27	49.33
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE	CARE AA- /Stable, ICRA AA- /Stable	CARE AA- /Stable, ICRA AA- /Stable	CARE AA- /Stable, ICRA AA- /Stable

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

(IV) Cholamandalam Investment and Finance Company Limited

Metrics	Units	Company			Cholamandalam Investment and Finance Company Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	1,847,640.00	1,537,180.00	11,27,820.00
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	20.19	44.34	38.48
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	1,820,376.00	1,444,626.50	1,048,096.50
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	1,008,690.00	887,250.00	665,320.00
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	13.69	33.36	87.47
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	NA	NA
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	NA	NA	NA
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	NA	NA
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	NA	NA
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	NA	NA
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	64,941	54,098	44,922
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	28.45	28.41	23.71
No. of Branches ⁽¹⁴⁾	Number	32	26	26	1,613	1,387	1,191
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	261,527.60	194,198.70	131,055.90
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	42,627.00	34,200.60	26,648.50
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	236,686.90	195,932.40	143,461.00
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	1,750,360.00	1,344,748.80	973,575.00
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	NA	13.50	12.86
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	8.07	7.96	6.90
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	NA	7.32	6.52
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	39.70	41.87	39.32
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	3.02	3.16	2.95
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	1.39	0.97	0.87
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	2.38	2.53	2.72
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	19.71	20.15	20.42
Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	14.41	15.10	14.78

Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	19.75	18.57	17.13
Debt to Equity ratio ⁽²⁹⁾	<i>Times</i>	4.47	5.16	5.61	7.40	6.86	6.79
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	233.26	174.52
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	NA	NA	NA
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	3.97	3.54	4.63
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	2.63	2.32	3.11
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	34.58	25.18	33.77
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE	ICRA AA+ /Positive, CARE AA+/Stable	ICRA AA+ /Positive, CARE AA+/Stable	ICRA AA+ /Positive, CARE AA+/Stable

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

(V) Bajaj Housing Finance Limited

Metrics	Units	Company			Bajaj Housing Finance Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	1,146,840.00	913,704.00	692,280.00
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	25.52	31.98	29.83
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	995,128.60	793,007.50	621,138.90
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	508,430.00	446,562.40	343,336.30
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	13.85	30.07	31.17
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	NA	NA
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	NA	NA	NA
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	NA	NA
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	NA	NA
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	NA	NA
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	1,977	2,372	2,788
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	580.09	385.20	248.31
No. of Branches ⁽¹⁴⁾	Number	32	26	26	216	215	208
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	95,759.60	76,177.10	56,654.40
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	21,629.00	17,312.20	12,578.00
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	199,468.00	122,335.00	105,031.90
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	820,343.10	689,450.60	535,696.20
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	NA	9.95	9.51
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	7.91	7.64	6.78
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	NA	3.61	3.83
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	20.42	23.63	25.12
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	0.80	0.94	1.09
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	0.09	0.08	0.22
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	2.34	2.36	2.22
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	13.44	15.23	14.59
Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	27.72	20.67	22.19

Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	28.24	21.28	22.97
Debt to Equity ratio ⁽²⁹⁾	Times	4.47	5.16	5.61	4.11	5.64	5.10
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	18.23	15.65
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	NA	NA	NA
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	0.29	0.27	0.22
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	0.11	0.10	0.08
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	60.25	63.70	63.60
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE	ICRA AA+ /Positive, CARE AA+/Stable	CRISIL AAA/stable	CRISIL AAA/stable

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

(VI) Bajaj Finance Limited

Metrics	Units	Company			Bajaj Finance Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60	4,166,610.00	3,306,150.00	2,473,790.00
AUM Growth ⁽²⁾	%	48.33	84.26	73.09	26.03	33.65	25.29
Total Net Loans ⁽³⁾	₹ in millions	414,693.08	280,832.16	152,389.01	4,078,441.00	3,262,933.20	2,422,689.30
Disbursements ⁽⁴⁾	₹ in millions	153,088.59	140,892.15	79,917.41	NA	NA	NA
Disbursements Growth ⁽⁵⁾	%	8.66	76.30	85.47	NA	NA	NA
Disbursement - Overseas Education Loan ⁽⁶⁾	₹ in millions	145,705.76	134,388.26	75,018.47	NA	NA	NA
Average Ticket Size (Sanctioned Loan) ⁽⁷⁾	₹ in millions	3.59	3.50	3.24	NA	NA	NA
Outstanding number of education loans ⁽⁸⁾	Number	150,339	115,711	72,416	NA	NA	NA
Cumulative number of education loans disbursed ⁽⁹⁾	Number	226,570	178,372	124,769	NA	NA	NA
Number of countries covered ⁽¹⁰⁾	Number	64	63	59	NA	NA	NA
Number of universities ⁽¹¹⁾	Number	5,290	4,682	4,196	NA	NA	NA
Number of employees ⁽¹²⁾	Number	1,478	1,200	898	64,092.00	53,812	43,157
AUM per Employee ⁽¹³⁾	₹ in millions	282.89	234.89	170.35	65.01	61.44	57.32
No. of Branches ⁽¹⁴⁾	Number	32	26	26	4,263.00	4,145.00	3,733.00
Total Income ⁽¹⁵⁾	₹ in millions	47,260.00	27,710.41	13,521.76	697,247.80	549,825.10	414,182.60
Restated Net Profit After Tax ⁽¹⁶⁾	₹ in millions	9,899.58	5,288.39	2,759.25	167,795	144,511.70	115,076.90
Net Worth ⁽¹⁷⁾	₹ in millions	86,945.06	50,433.64	24,350.92	989,368.90	766,953.50	543,719.80
Total Borrowings ⁽¹⁸⁾	₹ in millions	388,690.14	260,328.27	136,552.21	2,898,455.20	2,331,949.10	1,720,249.30
Average Yield on Loans ⁽¹⁹⁾	%	11.92	11.66	10.78	NA	16.14	15.73
Average cost of borrowing ⁽²⁰⁾	%	8.92	8.72	7.68	7.57	7.34	6.58
Net Interest Margin ⁽²¹⁾	%	4.03	3.85	4.00	NA	9.25	9.62
Cost Income Ratio ⁽²²⁾	%	19.65	27.10	29.43	27.42	28.67	28.59
Operating expense to Average Total Assets ⁽²³⁾	%	0.90	1.17	1.24	2.93	3.19	3.38
Credit cost to Average Total Assets ⁽²⁴⁾	%	0.37	0.21	0.08	1.89	1.42	1.31
Return on Total Assets ⁽²⁵⁾	%	2.48	2.20	2.16	4.47	4.44	4.72
Return on Equity (ROE) ⁽²⁶⁾	%	14.41	14.14	14.54	21.88	22.05	23.46
Tier I Capital Ratio ⁽²⁷⁾	%	19.70	16.60	14.60	21.09	21.51	23.20

Capital to risk weighted assets ratio ⁽²⁸⁾	%	21.81	20.45	20.42	21.93	22.52	24.97
Debt to Equity ratio ⁽²⁹⁾	<i>Times</i>	4.47	5.16	5.61	2.93	3.04	3.16
Net Asset Value per equity share ⁽³⁰⁾	₹	397.39	281.49	164.76	NA	1,241.01	899.57
Collection efficiency ⁽³¹⁾	%	99.07	98.87	98.88	NA	NA	NA
Gross Stage 3 loans ⁽³²⁾	%	0.19	0.08	0.17	0.96	0.85	0.94
Net Stage 3 loans ⁽³³⁾	%	0.07	0.03	0.10	0.44	0.37	0.34
Provision coverage ratio ⁽³⁴⁾	%	65.01	54.41	40.40	54.00	57.00	64.00
Cumulative w/off since inception ⁽³⁵⁾	₹ in millions	96.95	26.61	12.20	NA	NA	NA
Credit Ratings ⁽³⁶⁾		AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AA+ Long-term debt rated by CRISIL, and AA by ICRA & CARE	AAA Long-term debt rated by CRISIL, ICRA, CARE	CRISIL AAA/stable, ICRA AAA/stable, CARE AAA/stable	CRISIL AAA/stable, ICRA AAA/stable, CARE AAA/stable	CRISIL AAA/stable, ICRA AAA/stable, CARE AAA/stable

Source: Details for industry peers have been sourced from the Redseer Report, except for credit ratings which were sourced either from the annual reports or the stock exchange filings.

VIII. Weighted average cost of acquisition (“WACA”), floor price and cap price

- a) **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Plan and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Updated Draft Red Herring Prospectus-I, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)**

Except as disclosed below, our Company has not issued any Equity Shares during the 18 months preceding the date of this Updated Draft Red Herring Prospectus-I, 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-Offer 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 is as set below:

Date of Allotment	Name of allottees	Nature of Allotment	Number of Equity Shares allotted	Total Consideration (in ₹ million)	Price Per Equity Share (in ₹)
March 20, 2024	Kopvroom B.V., Defati Investments Holding B.V., Moss Investments Limited and Infinity Partners	Preferential allotment	19,128,540	13,036.10	681.50
June 28, 2024	Shinhan Bank	Preferential allotment	22,010,272	15,000.00	681.50
July 24, 2024	Kopvroom B.V., Defati Investments Holding B.V., Moss Investments Limited and Infinity Partners	Rights Issue	13,650,331	9,302.70	681.50
Weighted average cost of acquisition (WACA) (primary transactions) (₹ per Equity Share)					681.50

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

Except as disclosed below, the details of the price per equity share of our Company based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoter Selling Shareholder or other Shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of this Updated Draft Red Herring Prospectus-I, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up equity share capital of our Company (calculated based on the pre-Offer 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 is set out below:

Date of Transfer	Name of acquirer	Name of transferor	Number of Equity Shares transferred	Total Consideration (in ₹ million)	Price Per Equity Share (in ₹)
March 19, 2024	Kopvroom B.V.	HDFC Bank Limited	112,138,344	76,422.28	681.50
March 19, 2024		Employees of the Company*	1,195,000	814.39	681.50

March 20, 2024		Employees of the Company*	380,000	258.97	681.50
March 19, 2024	Moss Investments Limited	HDFC Bank Limited	25,781,454	17,570.06	681.50
March 19, 2024	Defati Investments Holding B.V.	HDFC Bank Limited	1,472,379	1,003.43	681.50
March 19, 2024	Infinity Partners	HDFC Bank Limited	780,003	531.57	681.50
March 20, 2024		Employees of the Company*	394,500	268.85	681.50
Weighted average cost of acquisition (WACA) (secondary transactions) (₹ per Equity Share)					681.50

* For details in relation to transfer of Equity Shares by employees of the Company to Kopvoorn B.V. and Infinity Partners, please see, "Summary of the Offer Document - Details of price at which Equity Shares were acquired in the last three years preceding the date of this Updated Draft Red Herring Prospectus-I by the Promoter, member of Promoter Group, Selling Shareholders and the Shareholders with rights to nominate one or more directors or other rights" on page 37.

- c) If there are no such transactions to report under a) and b) above, the following are the details of the price per share of our Company basis the last five Primary Transactions or Secondary Transactions (secondary transactions where our Promoter, Promoter Group, Selling Shareholders or other shareholders with the right to nominate directors on our Board, are a party to the transaction), not older than three years prior to the date of filing of this Updated Draft Red Herring Prospectus-I irrespective of the size of transactions: Not Applicable

Type of transactions	WACA (in ₹)	Floor Price (₹[•]) is 'X' times the WACA*	Cap Price (₹[•]) is 'X' times the WACA*
Weighted average cost of acquisition (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Plan and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Updated Draft Red Herring Prospectus-I, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days	681.50	[•]	[•]
Weighted average costs of acquisition (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoter, member of the Promoter Group, the Selling Shareholder or other Shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of this Updated Draft Red Herring Prospectus-I, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s, and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days	681.50	[•]	[•]
If there have been no primary (excluding bonus issue) or secondary transactions (where Promoter, members of the Promoter Group, the Selling Shareholder or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), in the three years prior to the date of this Updated Draft Red Herring Prospectus-I, except as disclosed below: Not Applicable			

* To be computed after finalization of price band.

^ As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

Detailed explanation for Offer Price/Cap Price being [•] price of WACA of primary issuance price/secondary transaction price of Equity Shares (as set out above) along with our Company's key financial and operational metrics and financial ratios Fiscals 2025, 2024 and 2023.

[•]*

*To be included on finalisation of Price Band

Explanation for Offer Price/Cap Price being [●] price of WACA of primary issuance price/secondary transaction price of Equity Shares (as set out above) in view of the external factors which may have influenced the pricing of the Offer.

[●]*

**To be included on finalisation of Price Band*

The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares as determined through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Statements*” on pages 42, 216, 439 and 328, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CREDILA FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS HDFC CREDILA FINANCIAL SERVICES LIMITED) (THE “COMPANY”) AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,
The Board of Directors
Credila Financial Services Limited
(Formerly known as HDFC Credila Financial Services Limited)
B - 301, CITI Point, Next to Kohinoor Continental
Andheri- Kurla Road
Andheri (East), Mumbai 400 059
Maharashtra, India

Re: Statement of special tax benefits to the Company and its shareholders under the direct and indirect tax laws

We, Gokhale & Sathe, Chartered Accountants, one of the Joint Statutory Auditors of the Company, have received a request from the Company to report the possible special tax benefits, available to the Company, and its shareholders under the direct and indirect tax laws presently in force in India, as on the date of this report. This is for the limited purpose of the updated draft red herring prospectus - I (the “**UDRHP-I**”) 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 (the “**SEBI ICDR Regulations**”).

The preparation of the statement attached (“**Annexure I**”) to this Report is the responsibility of the management of the Company.

We hereby report that the enclosed **Annexure I** provides a statement of the possible special tax benefits available to the Company and its shareholders under direct and indirect tax laws, including the Income Tax Act, 1961, as amended by the Finance Act 2024, i.e., applicable for the financial year 2024-2025, relevant to the assessment year 2025-2026, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “**GST Act**”), the Customs Act, 1962 (“**Customs Act**”) and the Customs Tariff Act, 1975 (“**Tariff Act**”) each read with the relevant rules, circulars, and notifications issued thereunder and each as amended from time to time, as applicable and in force as at the date of this report (collectively, the “**Tax Laws**”).

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

While the term ‘special tax benefit’ has not been defined in the SEBI ICDR Regulations, the benefits discussed in the enclosed Statement cover only the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits (under both direct and indirect tax laws) available to them. The benefits discussed in the enclosed Statement are not exhaustive. Any benefits under the Tax Laws other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of the Statement.

In respect of shareholders, the enclosed Statement contains only those tax benefits which accrue to the shareholders of the Company by virtue of them being shareholders as on the date of this report. Further in respect of non-residents 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 shareholder has fiscal domicile.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing

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

We conducted our examination in accordance with the SRS 4400 “Engagements to Perform Agreed-upon Procedures regarding Financial Information” issued by the Institute of Chartered Accountants of India (“ICAI”). The standard requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

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.

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

- i. the Company, and its shareholders will continue to obtain the benefits as per **Annexure I** in future; or
- ii. the conditions prescribed for availing the possible special tax benefits as per **Annexure I** have been/ would be met with.
- iii. the revenue authorities/courts will concur with the views expressed therein.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses relating to this report except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

This report is for the information relating to, and inclusion (in part or full) in, the UDRHP-I, and may be relied upon by the Company, the Book Running Lead Managers and their respective affiliates and the legal advisors to each of the Company and the Lead Managers. At the RHP and Prospectus stages, this report remains valid provided there are no changes to the special tax benefits availed by the Company. Should any changes occur in the special tax benefits at those stages, this report will no longer be valid, and a revised report reflecting such changes will be issued.

This report is addressed and provided to the Board of Directors of the Company and we hereby consent to the submission of this report as may be necessary for the purpose of the Offer to the Book Running Lead Managers, the SEBI, the RoC, the Stock Exchanges and any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law.

We also consent to this report being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

Except for the purposes and parties as stated in the preceding paragraphs, 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, which consent will not be unreasonably withheld.

Capitalised terms used herein but not defined shall have the meanings ascribed to such terms in the UDRHP-I.

For Gokhale & Sathe.
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 25129389BMJIRV5808

Place: Mumbai
Date: June 09, 2025

Annexure I

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CREDILA FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS HDFC CREDILA FINANCIAL SERVICES LIMITED) (“THE COMPANY”) AND ITS SHAREHOLDERS

This statement sets out below the possible tax benefits available to the Company and its investors to whom shares may be allotted in terms of proposed issue under the current tax laws presently in force in India. Several of these benefits are dependent on fulfilling various conditions prescribed under the relevant tax laws. Accordingly, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on the business imperatives, the Company or the shareholders may or may not choose to fulfil.

This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences/implications of the subscription, ownership and disposal of equity shares pursuant to the proposed Issue. This statement is only intended to provide general information to the investors and is neither exhaustive or comprehensive nor designed or intended to be a substitute for professional/legal tax advice. In view of the individual nature of 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.

Special Tax benefits available to the loan customers of the Company under the Income Tax Act, 1961 (“the Act”):

Section 80E - Deduction in respect of interest on loan taken for higher education.

Section 80E provides for a deduction on the interest paid on the Education loan availed for higher studies (whether in India or abroad). The interest amount paid during the financial year is allowable as a deduction from taxable income. There is no limit on the deduction amount.

The benefit of the deduction is available for a maximum of 8 years or till the interest is paid, whichever is earlier. It is applicable even when a loan has been taken for spouse, children or for a student for whom the customer is a legal guardian.

Our Company is the only NBFC notified under section 80(E)(3) vide Notification no. SO 2564(E) dt. 13-Oct-2010 wherein customers can avail benefit of tax deduction on the interest paid on education loan.

Special Tax benefits available to the Company under the Income Tax Act, 1961 (“the Act”):

Deduction of provision for bad and doubtful debts incurred by the Company (Section 36)

Any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as a deduction under Section 36(1)(vii) of the Act in computing the “profits and gains of business or profession” subject to the fulfilment of the conditions specified in section 36(2) of the Act. The Company should be entitled for such deduction under section 36(1)(vii) of the Act.

The Company being a non-banking finance company registered with the Reserve Bank of India (“RBI”) is entitled to a deduction under section 36(1)(viia) of the Act in respect of provisions made for bad and doubtful debts in its books of account to the extent of 5% of its total income (computed before making any deduction under this section and Chapter VI-A of the Act), subject to certain conditions, while computing the total income under the head “profits and gains of business or profession”.

The subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Act should be reduced to the extent of deduction already allowed under section 36(1)(viia) of the Act.

Further, as per section 41(4) of the Act, where any deduction has been allowed to 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.

Special provision in case of income under section 43D of the Act:

As per section 43D of the Act, the income by way of interest in relation to certain categories of bad and doubtful debts as prescribed in Rule 6EA, shall be chargeable to tax in the year in which it is credited to profit and loss account for that year or in which it is actually received, whichever is earlier. The Company is complying the provision of section 43D.

Benefit of lower rate of tax under Section 115BAA of the Act:

Section 115BAA of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess) for 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. Deduction for additional depreciation is not permitted and the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT paid in earlier years.

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 opted to apply section 115BAA of the Act and pays tax as per rates prescribed under section 115BAA of the Act.

Income Computation Disclosure Standards:

The Company is maintaining its books of account as per IND AS and follows Income Computation and Disclosure Standards (ICDS) for computing total income for income-tax purpose. The Company will have to make ICDS adjustments to arrive at taxable total income.

Tax benefits/implications to Shareholder/ Investors of the Company

Resident shareholder:

Taxation of dividend income

Dividend income earned by the shareholders is taxable in their hands at the applicable rates in accordance with the provisions of the Act. A domestic company receiving dividend is eligible to claim deduction under section 80M of the Act on fulfilling certain conditions. The Company paying dividend will withhold tax at applicable rates on payment of dividend to shareholders.

Capital gains

Where shares are held as capital assets for more than 12 months immediately preceding its date of transfer, then as per Section 112A of the Act, long-term capital gains arising from transfer of an equity share through the recognized stock exchange, should be taxed at 12.5% (plus applicable surcharge and cess), without indexation and foreign exchange fluctuation benefit, subject to fulfilment of prescribed conditions under the Act. Tax shall be levied on capital gains exceeding INR 1,25,000. Further, any capital gain realized on sale of shares held for more than 12 months, which are sold without payment of Securities Transaction Tax (STT), will also be subject to tax at 12.5% (plus applicable surcharge and cess) without indexation benefit.

Where shares are held as capital assets for 12 months or less, (as per Section 111A of the Act), short term capital gains arising inter alia from transfer of an equity share through the recognized stock exchange, should be taxed at 20% (plus applicable surcharge and cess) subject to fulfilment of prescribed conditions under the Act. Short term capital gains other than those covered by Section 111A of the Act and on which STT is not paid at the time of transfer would be subject to tax as calculated under normal provisions of the Act.

Non-resident shareholders

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be as per the provisions of the Act and it is further subject to any benefits available under the applicable Double Tax Avoidance Agreement

(DTAA), if any, between India and the country of which the non-resident is a tax resident, as read with the Multilateral Instrument (MLI) and subject to furnishing of tax residence certificate, electronic Form 10F and any other document as may be required. The Company will withhold tax at applicable rates on payment of dividend to shareholders.

UNDER THE INDIRECT TAX LAWS

There are no special benefits available to the Company under Indirect tax laws.

For Credila Financial Services Limited

(formerly known as HDFC Credila Financial Services Limited)

Manjeet Bijlani

Chief Financial Officer

June 9, 2025

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section is from the report titled “Report on Education Financing Industry in India” dated June 26, 2025 (the “**Industry Report**”), prepared and released by Redseer Strategy Consultants Private Limited (“**Redseer**”), which has been paid for and commissioned by our Company pursuant to an engagement letter dated November 12, 2024, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer. The Industry Report will be made available on the website of our Company at <https://credila.com/about/investor-relation.html> in accordance with applicable laws. The data included herein includes excerpts from the Industry Report and may have been re-ordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer) that have been left out or changed in any manner. The Industry Report was prepared on the basis of information as of specific dates and opinions in the Industry Report may be based on estimates, projections, forecasts and assumptions that may be as of such dates, which may no longer be current or reflect current trends. Further, forecasts, estimates, predictions, and other forward-looking statements contained in the Industry Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. Accordingly, investment decisions should not be based on such information. The Industry Report is not a recommendation to invest or disinvest in any company covered in the report. The views expressed in the Industry Report are that of Redseer. Prospective investors are advised not to unduly rely on the Industry Report, and should conduct their own investigation and analysis of all facts and information contained in this Updated Draft Red Herring Prospectus-I. See “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” and “Risk Factors — Internal Risk Factors — We have referred to data derived from an industry report commissioned and paid for by our Company exclusively for the purpose of the Offer” on pages 23 and 77, respectively.*

Macroeconomic Scenario

The global economy is gradually stabilizing after tepid growth due to COVID-19, the Russia-Ukraine conflict, and tight monetary policies. Recent trends show positive momentum, with moderate growth driven by resilience in several developed and developing economies. India is positioned as the world's fastest-growing major economy, with nominal Gross Domestic Product (“GDP”) projected to reach approximately ₹510 trillion by Calendar Year 2029. The healthy growth will be driven by the large young population (aged 15-29 years), rapid urbanisation, expanding middle class, and economic formalization.

Global economy is witnessing the unwinding of tight monetary conditions

As per the International Monetary Fund (“IMF”), global real GDP growth is projected at 2.8% and 3.0% in Calendar Year 2025 and Calendar Year 2026, respectively. Additionally, according to the World Economic Outlook report by IMF in April 2025, global headline inflation is expected to fall to 4.3% in Calendar Year 2025 and 3.6% in Calendar Year 2026.

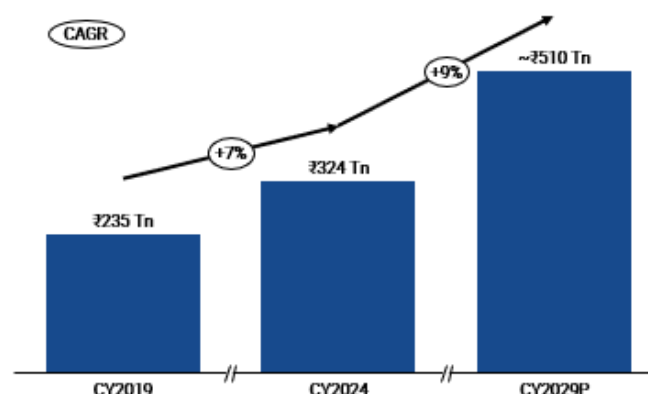
India is poised to be the world’s 3rd largest economy by Calendar Year 2028, as repo rates and inflation stabilize

According to the IMF, India, with a nominal GDP of ₹324 trillion in Calendar Year 2024, is the fifth-largest economy in the world. It is expected to become the fourth-largest economy in the Calendar Year 2025 and by Calendar Year 2028, India’s nominal GDP is expected to reach approximately ₹464 trillion, making it the third-largest economy.

This growth is underpinned by structural resilience demonstrated through a large working-age population (aged 15 to 59 years), expanding middle class, rapid urbanisation, and economic formalization. This, in turn, among other factors, has led to rapid expansion in manufacturing activity and sustained services sector growth. Collectively, these factors are expected to catapult India to be the third-largest economy in the world by Calendar Year 2028, according to the IMF. During the period between Calendar Year 2024 and Calendar Year 2028, India will be the fastest growing major economy, with an average annual real GDP growth rate of approximately 6.4%. This will surpass the projected real GDP growth rates of other developed and developing economies, such as the United States (“US”), China, Indonesia and Brazil, which have projected real GDP growth rates of approximately 2.1%, 4.3%, 4.9% and 2.4% respectively, during this period.

Exhibit 1

GDP, current prices – India
(₹trillion Calendar Year 2019, Calendar Year 2024, Calendar Year 2029P)

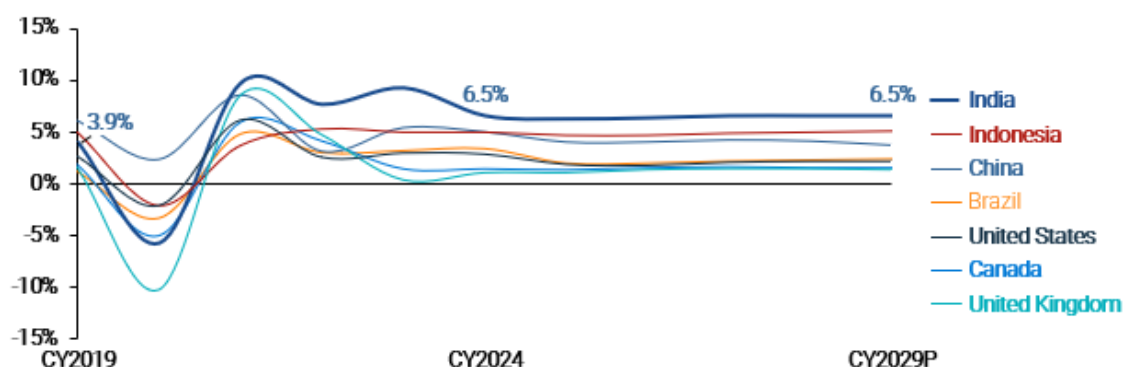


Note(s): Conversion rate: 1 US\$ = ₹83

Source(s): IMF

Exhibit 2

Real GDP Growth - India, China, United States, United Kingdom ("UK"), Canada, Indonesia and Brazil
(%, Calendar Year 2019 – Calendar Year 2029P)



Source(s): IMF

The Reserve Bank of India's Monetary Policy Committee (MPC) reduced the policy repo rate by 50 basis points to 5.50% during its 55th meeting, held in June 2025. The RBI has cumulatively cut the repo rate by 100 basis points since its February 2025 policy review. Consequently, the standing deposit facility (SDF) rate under the Liquidity Adjustment Facility ("LAF") now stands at 5.25%, while the marginal standing facility (MSF) rate and the Bank Rate have both been revised to 5.75% during the 55th meeting. With this decision, the RBI aims to maintain Consumer Price Index ("CPI") inflation within the 4% \pm 2% target band while supporting growth momentum. According to the Ministry of Statistics and Programme Implementation ("MoSPI"), the year-on-year inflation rate, based on the All-India CPI, declined to 3.16% in April 2025 (provisional), down from 5.22% in December 2024, reflecting improved price stability. In April 2025, rural inflation reached 2.92%, while urban inflation stood at 3.36%. This overall decline was primarily driven by a sharp drop in food inflation, which fell to 1.78% in April 2025, compared to 8.39% in December 2024, largely due to a decline in the prices of vegetables, pulses and products, fruits, and other essential commodities.

India's large working-age population, expanding middle class, rapid urbanisation, and economic formalization are collectively driving economic growth

- A) India has world's largest population, with approximately 64% of people belonging to the favourable working-age (aged 15 to 59 years) demographic

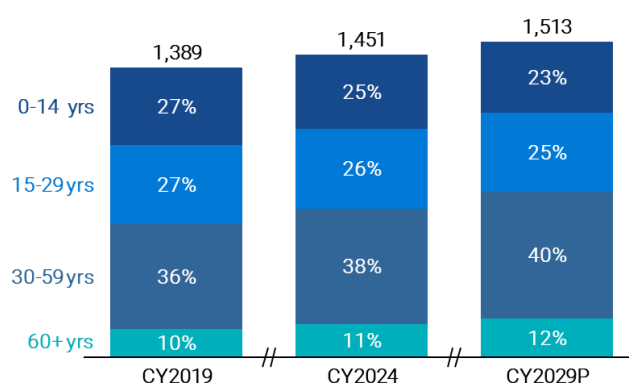
According to the United Nations, India's population was approximately 1.39 billion as of Calendar Year 2019 and has grown to approximately 1.45 billion by Calendar Year 2024. By Calendar Year 2029, the population is expected to reach approximately 1.51 billion.

As of Calendar Year 2024, India had the world's largest young population (aged 15-29 years), with a median age of 28.4 years. Approximately 89% of India's population was under the age of 60, with approximately 64% in the working-age group of 15 to 59 years. India had approximately 937 million individuals in the 15–59 age group, which was 4–5 times the number in the similar age bracket in the US and 23–24 times that in the UK. As the workforce expands, the demand for upskilling and reskilling is expected to grow, driving increased adoption of education services.

Exhibit 3

Population and split by age group – India

(million, Calendar Year 2019, Calendar Year 2024, Calendar Year 2029P)

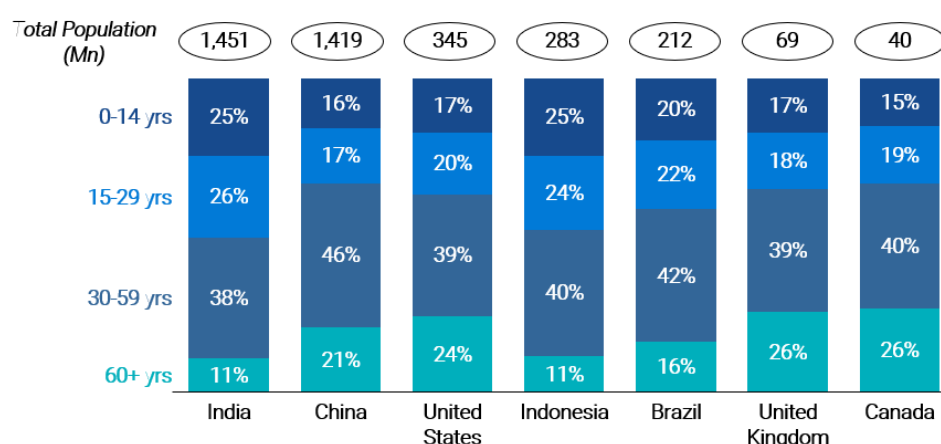


Source(s): World Population Prospects, United Nations

Exhibit 4

Population split by age groups - India, China, US, Indonesia, Brazil, UK and Canada

(%, Calendar Year 2024)



Source(s): World Population Prospects, United Nations

B) India is undergoing rapid urbanisation, with an estimated 40% urban population by Calendar Year 2029

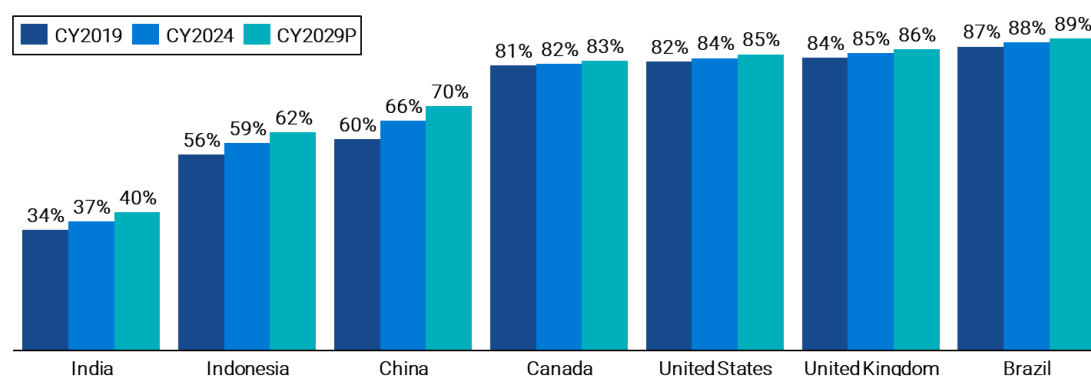
Urbanisation, a vital economic growth driver, is anticipated to fuel significant investments in infrastructure, which, in turn, is expected to generate employment, enhance modern consumer services, and boost savings mobilization. India's urban population has consistently risen over the years. According to the World Population Prospects, the urban proportion of India's population grew from approximately 34% in Calendar

Year 2019 to approximately 37% by Calendar Year 2024 with projections indicating a rise to approximately 40% by Calendar Year 2029. Despite this growth, urban penetration in India remains lower than that of major economies such as the US, the UK, Canada, and China, highlighting substantial potential for further urbanisation in India. With urban expansion, there is expected to be higher aspirations for improved quality of education and better living standards, enabling the young urban consumers to explore advanced education and employment opportunities.

Exhibit 5

Urban population as a percentage of total population– India, US, China, UK, Canada, Indonesia and Brazil

(%, Calendar Year 2019, Calendar Year 2024, Calendar Year 2029P)



Source(s): World Population Prospects, United Nations

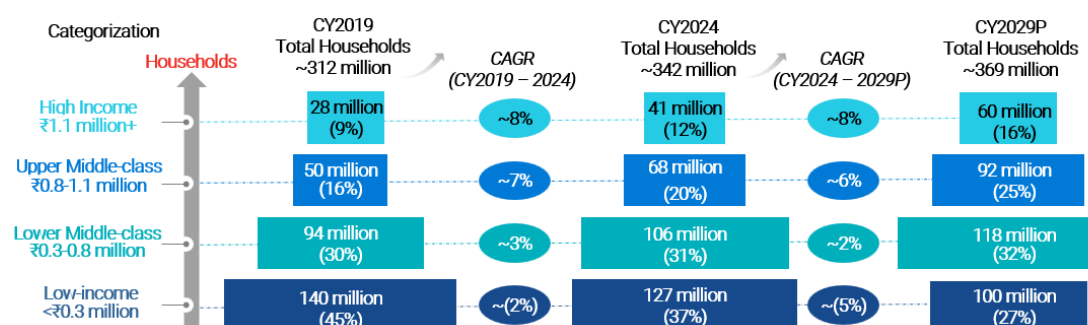
C) India's middle-class is expanding swiftly driven by growing income levels and is projected to reach 210 million households by Calendar Year 2029

The share of middle-class households (which is split into upper middle-class and lower middle-class households) in India has been steadily growing over the years and is projected to continue its growth trajectory as income levels rise further. In Calendar Year 2019, India had approximately 144 million middle-class households, which has increased to approximately 174 million in Calendar Year 2024. This growth reflects a Compounded Annual Growth Rate (“CAGR”) of approximately 6% for upper-middle-class households and approximately 2% for lower-middle-class households. The number of middle-class households is expected to grow at a similar rate to reach approximately 210 million by Calendar Year 2029. This growth is anticipated to improve literacy rates, enhance access to information, increase awareness, ensure better availability of essential goods, improve standards of living, and increase the propensity for overseas education. With rising disposable incomes, many middle-class households are increasingly becoming eligible for formal credit, enhancing their ability to make investments in housing, education, and healthcare.

Exhibit 6

Household Income Pyramid in India

(million, Calendar Year 2019, Calendar Year 2024, Calendar Year 2029P)



Source(s): Redseer Research and Analysis

The increase in income is also evident from the rising per capita gross national income (“GNI”) of India

which grew from ₹140,899 (1st Revised Estimates) in Financial Year 2019 to ₹208,633 (Provisional Estimates) in Financial Year 2024, approximately 1.5 times that of Financial Year 2019, as per MoSPI. This rise in per capita income is driven by macroeconomic factors such as increased GDP, expanding trade opportunities, supportive government policies, and technological innovation, reflecting enhanced purchasing power and economic upliftment, particularly among semi-urban and rural households transitioning into the middle-income bracket.

In India, urban households (which include a higher proportion of middle-class households), have a Monthly Per Capita Consumption Expenditure (“MPCE”) of ₹6,996 on both food and non-food items, in contrast to rural households, whose MPCE is ₹4,122; as per the Household Consumption Expenditure Survey 2023-24. This spending trend extends to non-discretionary categories such as education, where urban households allocate 5.97% (₹418) of their MPCE to education, compared to 3.24% (₹134) among rural households. This highlights the greater emphasis urban households place on education (especially higher education), viewing it as an essential expenditure rather than a discretionary one, which makes education a large and growing sector. Moreover, the approach to education among these urban households is marked by several distinctive characteristics:

- **Demand for options with better quality education:** Urban households are increasingly prioritizing a wide range of high-quality education options, including private schools, international baccalaureate (or IB) curricula, and online learning platforms. This shift reflects growing demand for better infrastructure, specialized programs, and personalized learning tailored to their children’s needs.
- **Willingness to invest in overseas education:** Many households are inclined to spend on overseas education, either through overseas education programs or global learning experiences, viewing them as crucial for career advancement and a better standard of living.
- **Increased spending on supplementary education:** There is a marked increase in investment in education, including spending on coaching, tutoring, and additional academic support to ensure academic excellence and competitiveness in entrance exams. This trend reflects a growing focus on continuous learning, skill development, and upskilling.

D) Structural reforms are driving formalization and economic growth

The structural reforms implemented in recent years have played a crucial role in formalizing India's economy, driving greater financial inclusion, and paving the way for long-term economic resilience. A key reform, the introduction of the Goods and Services Tax (“GST”), has significantly streamlined taxation and compliance, leading to a sharp increase in tax collections—from ₹11.37 trillion in Financial Year 2021 to ₹20.18 trillion in Financial Year 2024, reflecting a robust CAGR of approximately 21%. This simplification of the tax system has contributed to greater transparency and efficiency across the economy.

In addition to this, initiatives such as the JAM Trinity (Jan Dhan, Aadhaar, Mobile) and the Digital India Program have been pivotal in formalizing the economy further. The JAM Trinity has enabled direct benefit transfers, ensuring that government schemes reach citizens efficiently, while the Digital India Program has empowered individuals with access to a range of digital services. Platforms such as Unified Mobile Application for New-age Governance (UMANG) and Unified Payments Interface (“UPI”) have made services more accessible, increasing convenience and expanding financial participation among the population.

Together, these reforms are strengthening the country's institutional frameworks, driving financial inclusion, and contributing to a more formalized and resilient economy

India’s increasing economic strength is expected to increase financial inclusion

The above factors are driving better financial inclusion in the country across various financial products such as bank accounts, credit facilities, insurance, pension schemes, investment products, and digital payment services. This is evident from the Financial Inclusion Index tracked by RBI, which measures the ease of access, affordability, and availability of these products. The index has improved significantly over the last few years, rising from 53.9 in Financial Year 2021 to 64.2 in Financial Year 2024.

Exhibit 7. Financial Inclusion-Index (FI-Index) – India

	Financial Year 2021	Financial Year 2022	Financial Year 2023	Financial Year 2024
Financial Inclusion Index	53.9	56.4	60.1	64.2

Note(s): The FI-Index has been conceptualised as a comprehensive index incorporating details of banking, investments, insurance, postal as well as the pension sector in consultation with the Government of India and respective sectoral regulators. The index captures information on various aspects of financial inclusion in a single value ranging between 0 and

100, where 0 represents complete financial exclusion and 100 indicates full financial inclusion.

Source(s): RBI

This is evident from the growth in the number of outstanding debit cards, which has risen significantly from approximately 500 million in December 2014 to approximately 991 million in December 2024, according to RBI data. The increase in debit card issuance indicates broader access to financial services, empowering individuals to engage in the formal economy.

In addition to the above macroeconomic factors, rapid digitization and government initiatives such as Digital Public Infrastructure, including Aadhaar and e-KYC, have streamlined customer verification and expanded financial access. Growing internet and smartphone penetration further enables better awareness and usage of financial products, creating a robust digital transaction and investment ecosystem. As of Calendar Year 2024, India's internet user base was approximately 58% of the population and is projected to reach 65-74% by Calendar Year 2029, while smartphone penetration is expected to grow from approximately 47% in Calendar Year 2024 to 63-70% by Calendar Year 2029.

While financial inclusion is improving across the different financial products, formal credit remains an underpenetrated category in India, offering significant room for growth.

Overview of Credit Scenario and NBFC Sector in India

India's household credit-to-GDP ratio remains low (at approximately 42%) compared to other countries such as Canada and China at 100% and 60% respectively in Q3 Calendar Year 2024, but is growing swiftly, particularly in the retail category. Factors such as government reforms, a stable interest rate environment, expanding financial inclusion, rising financial awareness, and a strengthening digital infrastructure, are enabling this growth. Non-Banking Financial Companies ("NBFCs") are playing a crucial role in this transformation by providing credit to the underserved sections of the economy and are projected to drive 23-24% of the retail credit in India by Financial Year 2029.

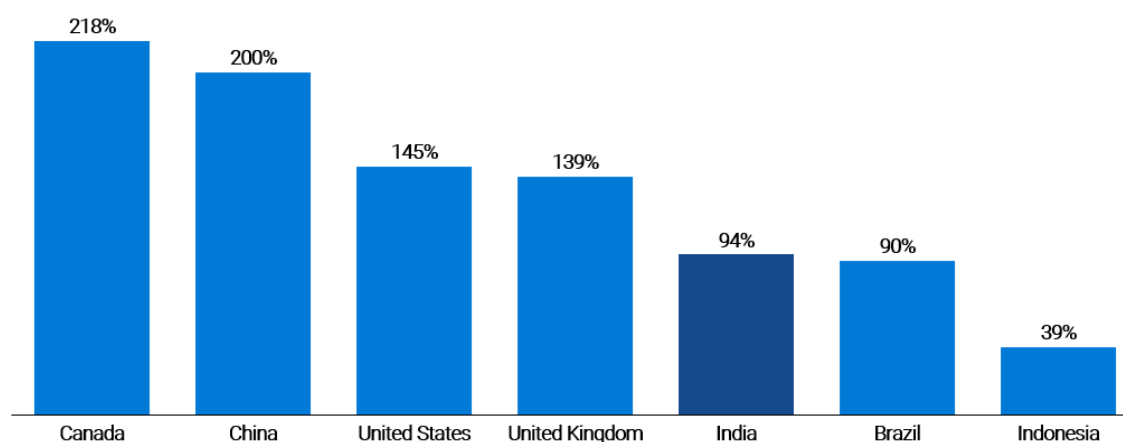
India has a large headroom for higher credit adoption

India's credit adoption (excludes all forms of informal credit) is notably lower than other economies such as Canada, China, the US and the UK, underscoring a significant opportunity to enhance formal credit reach, particularly among the underserved section of the population. For instance, India's credit-to-GDP ratio stands at approximately 94% in Q3 Calendar Year 2024, compared to China where the ratio is approximately 200% in Q3 Calendar Year 2024.

Exhibit 8

Credit to GDP ratio¹ – Canada, China, US, UK, India, Indonesia, Brazil

(% of GDP, Q3 Calendar Year 2024)



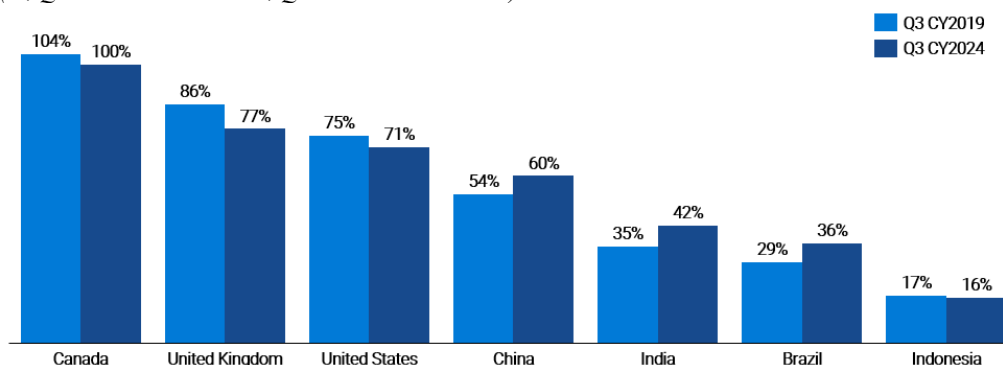
Note(s): The Credit-to-GDP ratio represents the outstanding amount of debt (liabilities) held by the private non-financial sector, expressed as a percentage of a country's GDP.

Source(s): Bank of International Settlement

Similarly, household credit-to-GDP ratio (which accounts for credit from all sectors to households and non-profit institutions serving households (“NPISHs”)) is low in India, at approximately 42% in Q3 Calendar Year 2024, versus 71% in the US and 60% in China in Q3 Calendar Year 2024.

Exhibit 9

*Household credit to GDP ratio – China, US, UK, Canada, India, Indonesia, Brazil
(%, Q3 Calendar Year 2019, Q3 Calendar Year 2024)*



Note(s): Household credit to GDP ratio indicates credit from all sectors (including domestic banks, other domestic financial corporations, non-financial corporations and non-residents) to households and NPISHs

Source(s): Bank of International Settlement

Low credit penetration in India is primarily due to a large informal workforce lacking documented income, limited financial literacy, and a cautious lending approach by banks due to past non-performing assets.

India’s credit adoption is ramping up swiftly, led by the retail category

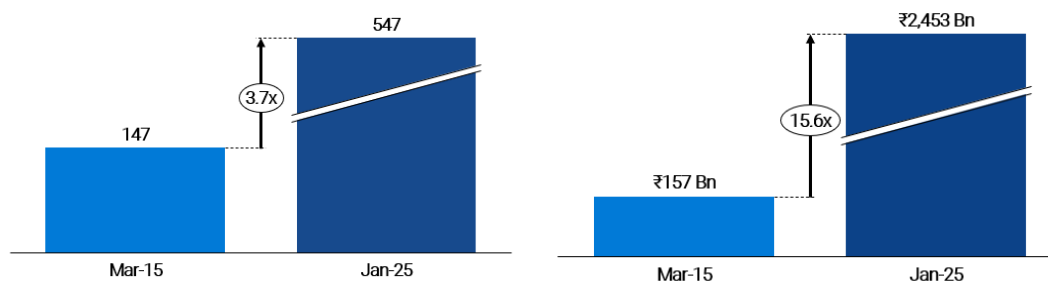
The following factors are enabling rapid credit adoption in the country.

- **Boosting credit adoption through reforms** – The Government of India’s reforms aimed at boosting credit adoption in India have played a key role in strengthening the financial ecosystem. One significant reform is the implementation of GST on July 1, 2017, which simplified the tax structure, enhanced business formalization, and improved transparency, thereby boosting lender confidence. Additionally, other initiatives such as the Pradhan Mantri Mudra Yojana have provided easier access to credit for micro and small businesses, while the Digital India campaign has expanded financial inclusion by improving access to banking and digital payment systems.
- **Stable Interest Rate Environment** – The RBI has maintained a relatively stable interest rate environment, particularly through its control over the repo rate, which has contributed to a more predictable lending and borrowing landscape. The repo rate, which was reduced to a record low of 4.00% in May 2020 in response to the COVID-19 pandemic, has been gradually adjusted as the economy recovered, standing at 5.50% as of June 2025. These changes in the repo rate help ensure a stable borrowing environment, encouraging both consumers and businesses to access credit. The RBI’s proactive management of the repo rate helps maintain liquidity in the system, thus supporting continued credit growth and economic stability.
- **Expanding financial access and inclusion** – Programs such as the National Pension System (NPS) promotes long-term retirement planning. Alongside these initiatives, digital banking has grown rapidly, with initiatives such as the DigiDhan Mission improving payment infrastructure and introducing systems such as the Bharat Bill Payment System and National Electronic Toll Collection. Government’s dedicated efforts towards boosting financial access, particularly through Pradhan Mantri Jan Dhan Yojana (“PMJDY”) (enabling 547 million accounts with total deposits reaching ₹2,453 billion as of January 2025), have played a crucial role.

Exhibit 10

Number of PMJDY Accounts – India (million, March 2015 and January 2025)

Deposits under PMJDY- India (₹billion, March 2015 and January 2025)

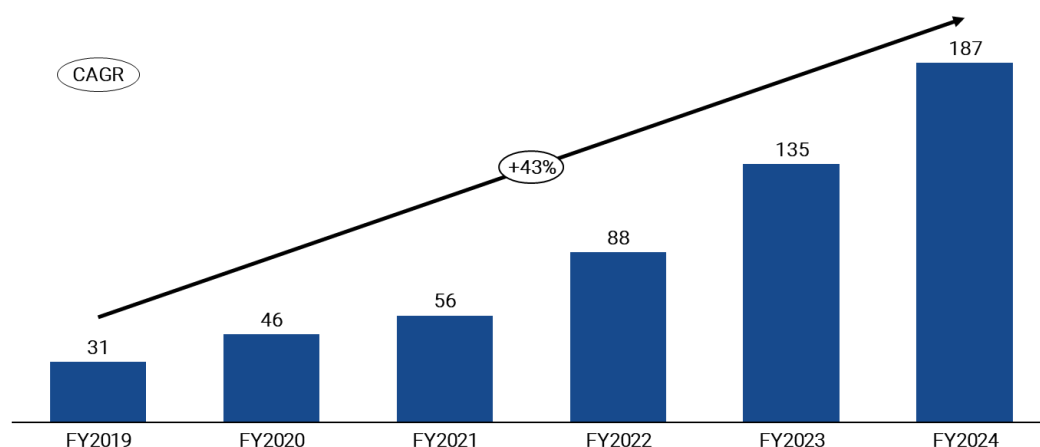


Source(s): PMJDY

- Rising financial awareness:** Programs such as the Financial Literacy Week organized by the RBI and initiatives run by the Securities and Exchange Board of India, which focus on educating people about saving, budgeting, and investing, are playing a crucial role in improving financial awareness. Additionally, awareness campaigns such as ‘Pradhan Mantri Gramin Digital Saksharta Abhiyan’ have significantly boosted digital literacy, further contributing to the rise in financial awareness. This is evident in the growth of digital transaction volumes, which have surged over the past five years, increasing from 31 billion transactions in Financial Year 2019 to 187 billion transactions by Financial Year 2024, reflecting a CAGR of 43%.

Exhibit 11

Digital Payments Transactions- Volume
(billion, Financial Year 2019- Financial Year 2024)



Note(s): Digital Payments include modes such as National Automated Clearing House (NACH), Immediate Payment Service (IMPS), UPI, Aadhar Enabled Payment System (AePS), National Electronic Toll Collection (NETC), Debit Card, Credit Card, National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), Prepaid Payment Instruments, Internet Banking, Mobile Banking and Others (all intrabank transactions).

Source(s): Press Information Bureau, Government of India

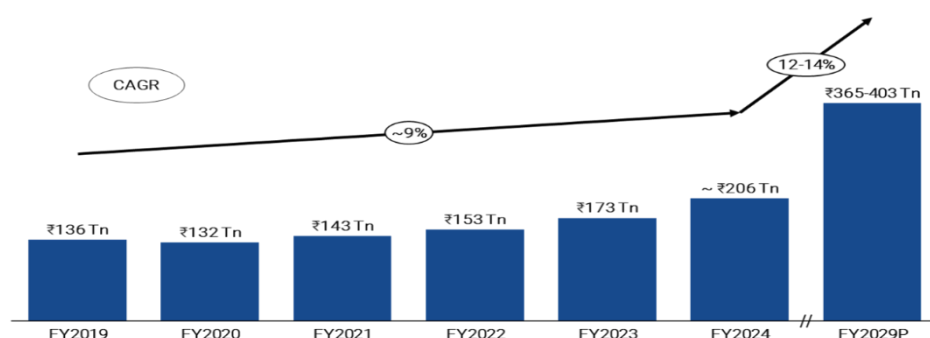
- Strengthening digital infrastructure** – The rapidly strengthening digital infrastructure in India has led to widespread use of smartphones, internet, and digital payment systems such as UPI, thus enhancing the accessibility of financial services for both urban and rural populations. Government initiatives such as Aadhaar (for identity verification), e-KYC (for digital onboarding), and eNACH (for automated recurring payments) have simplified processes such as opening bank accounts, accessing loans, and conducting digital transactions. Additionally, the introduction of digital loan agreements and adherence to digital lending guidelines, ensure faster, transparent, and cost-effective transactions. The growing repository of digital transaction data enables lenders to improve underwriting accuracy and make more informed credit decisions.

Driven by the above factors, systemic credit (which typically refers to credit exposures that are significant enough to impact the broader financial system, often including institutions with an asset size of ₹5,000 million or more) is growing in India. Systemic credit has grown at a CAGR of approximately 9% from Financial Year 2019 to Financial Year 2024, fuelled by increased budgetary investments (funding for initiatives like the PMJDY), rise in private investments, and recovery in business activities. Going forward, systemic credit is projected to grow at a CAGR of 12-14% between Financial Year 2024 to Financial Year 2029.

Exhibit 12

Overall Systemic Credit

(₹trillion, Financial Year 2019 – Financial Year 2024, Financial Year 2029P)



Note(s): Systemic credit which typically refers to credit exposures that are significant enough to impact the broader financial system, often including institutions with an asset size of ₹5,000 million or more. It includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by banks and NBFCs.

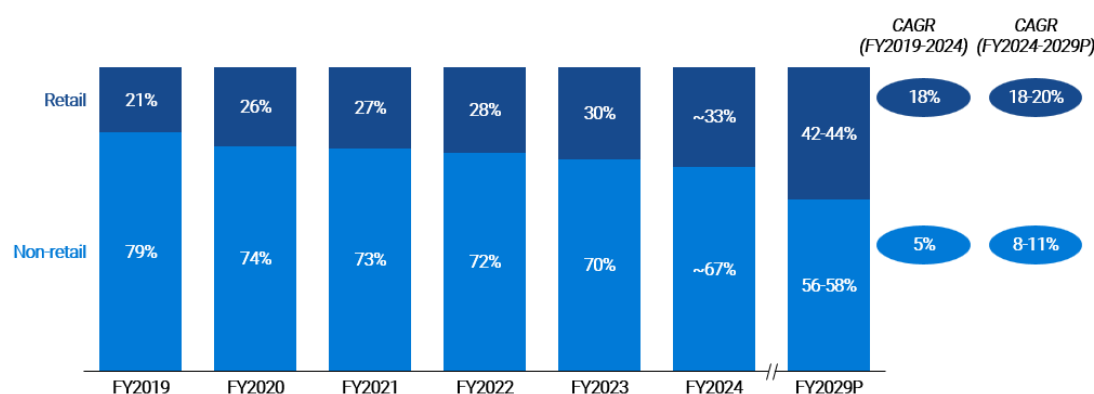
Source(s): RBI, Redseer Research and Analysis

Retail credit (includes housing finance, automotive loans, gold loans, education loans, consumer durables, personal loans, credit cards, microfinance, and other retail loans) has emerged as a key driver of overall systemic credit growth (led by the factors discussed above on government reforms, stable interest rate environment, expanding financial inclusion, rising financial awareness, and strengthening digital infrastructure), with the share of retail credit growing from 21% in Financial Year 2019 to approximately 33% in Financial Year 2024. Over the next few years, retail credit growth is expected to drive the growth of overall systemic credit expansion, with lenders focusing on growing their retail portfolios.

Exhibit 13

Overall Systemic Credit Split – Retail¹ and Non-Retail²

(%, Financial Year 2019 – Financial Year 2024, Financial Year 2029P)



Note(s): 1. Retail credit includes housing finance, automotive loans, gold loans, education loans, consumer durables, personal loans, credit cards, microfinance, and other retail loans.

2. Non-retail credit includes Food credit, Agriculture and Allied Activities, Industry (Micro and small, medium, large and others), Services (Retail trade and commercial real estate) and other non-food credit.

Source(s): RBI, Redseer Research and Analysis

NBFCs are driving retail credit adoption in India and have the potential to enable 23-24% of total retail credit by Financial Year 2029

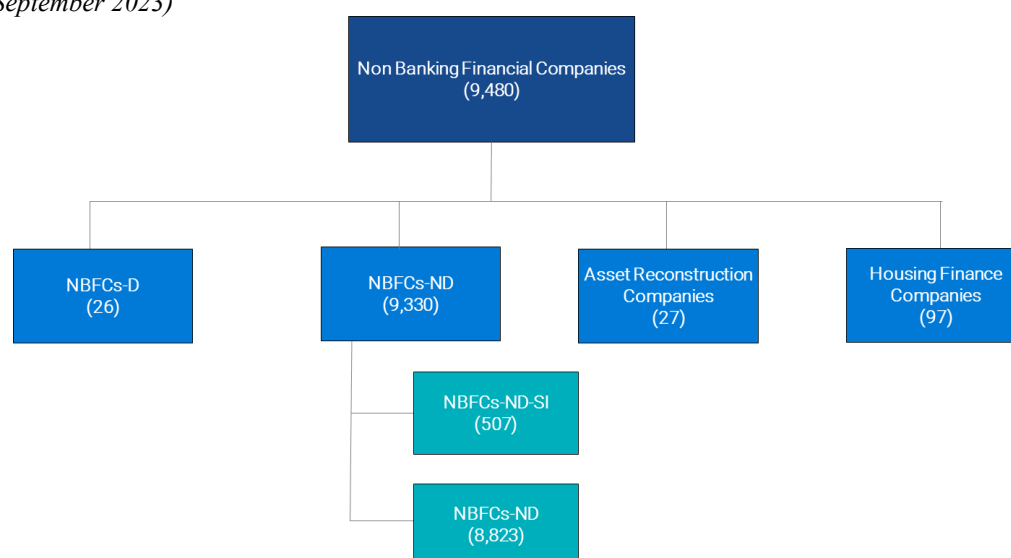
NBFCs and banks are the two major lenders in India's financial landscape, though they operate with different structures and regulatory requirements. Banks, regulated by the RBI, provide a full range of financial services, including deposit accounts, loans, and payment systems, and have access to deposit insurance. NBFCs, on the other hand, are financial institutions regulated by the RBI under the Reserve Bank of India Act, 1934, that engage in providing loans, advances, and acquiring marketable securities such as shares, bonds, and debentures. While certain NBFCs, known as deposit-taking NBFCs (NBFC-Ds), are permitted to accept term deposits from the public, they must adhere to the regulations set by the RBI.

NBFCs have played a crucial role in expanding retail credit adoption in India, particularly in the underserved sections and regions. They have been instrumental in reaching customers who might not have access to conventional banking channels, such as those with limited credit history or lacking the required collateral for loans. NBFCs employ unconventional but reliable underwriting models (such as the use of digital transactions data in personal / Micro, Small and Medium Enterprises (MSME) loans, data on student placement rates by education NBFCs etc.) and execute them efficiently to provide faster approvals than traditional industry standards. NBFCs have been pivotal in microfinance, automotive loans, education loans, and personal loans, where access to credit has traditionally been limited. NBFCs are classified based on two different approaches:

- **Liability-based classification** refers to the categorization of NBFCs based on the type of liabilities they hold, such as whether they can accept deposits or not. There are deposit-taking NBFCs (NBFC-Ds), which are authorized to accept public deposits under strict regulations, and non-deposit-taking NBFCs (NBFC-NDs), which do not accept deposits but engage in lending activities. Further, non-deposit-taking NBFCs are classified into systemically important (NBFC-ND-SI) and non-systemically important entities based on their asset size and potential impact on financial stability. Housing Finance Companies (HFCs) and Asset Reconstruction Companies (ARCs) are treated separately due to their distinct business models and regulatory frameworks. While HFCs are regulated by the Reserve Bank of India (RBI) post-2019, they are still classified separately from NBFC-D and NBFC-ND due to their distinct business model. ARCs, on the other hand, are regulated by the RBI but operate under a different set of regulations.

Exhibit 14

*Classification of NBFCs based on liabilities (number of institutions)
(end of September 2023)*



Note(s): 1. Figures in parentheses indicate the number of institutions (provisional).

2. The number of NBFCs is as of September 30, 2023.

3. Based on asset/liability structure, NBFCs are categorised into deposit-taking NBFCs (NBFCs-D) and non-deposit taking NBFCs (NBFCs-ND). Within NBFCs-ND, NBFCs with asset size of ₹5,000 million or more are called non-deposit taking systemically important NBFCs (NBFCs-ND-SI) and the remaining are NBFCs-ND.

Source(s): RBI

- **Activity-based classification** is based on the core financial activities an NBFC performs. For example, Asset

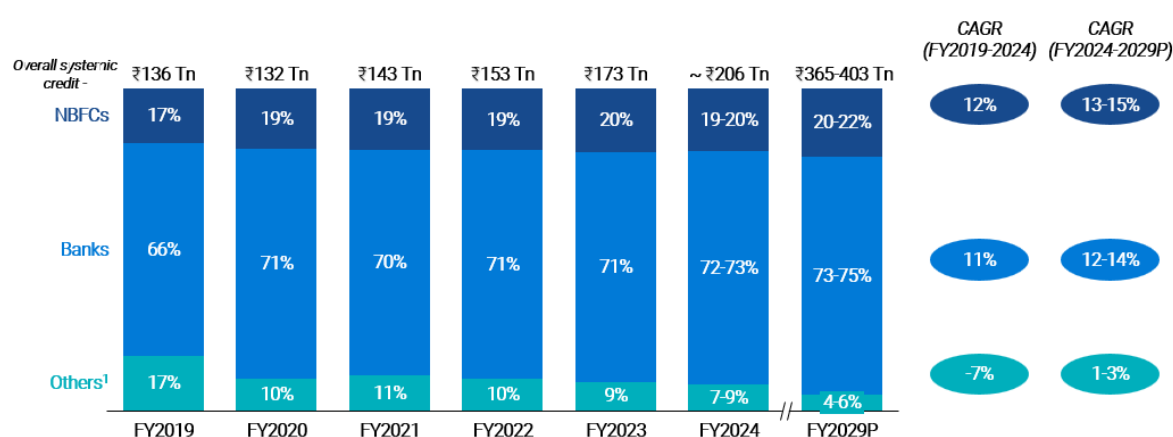
Finance Companies (AFCs) primarily finance physical assets such as vehicles and machinery, while Micro Finance Institutions (NBFC-MFIs) focus on providing small loans to low-income individuals in rural and semi-urban areas. Other types include Loan Companies (LCs), which provide general financing, and Infrastructure Finance Companies (IFCs), which focus on long-term funding for infrastructure projects.

As of Financial Year 2024, NBFCs hold a share of approximately 19-20% of the overall systemic credit which is expected to reach to approximately 20-22% by Financial Year 2029, driven by the below factors:

- **Ability to serve the underserved population:** NBFCs play a critical role in extending financial services to unbanked and underserved populations, which have traditionally not been targeted by banks. NBFCs can provide credit in regions where banks may have limited presence, driven by their flexible business models and localized understanding of credit assessments.
- **Effective Underwriting model:** NBFCs are adopting advanced and differentiated underwriting models, such as involving the use of alternative data (e.g., utility payments, and transaction history), enabling them to assess the creditworthiness of a wider range of customers, including those with non-traditional profiles. Their nimble structure and focused approach have enabled faster decision-making, sharper customer targeting, and improved turnaround times. While banks have also been strengthening their underwriting models, NBFCs remain ahead in terms of agility and innovation.
- **Sectoral Focus:** Many NBFCs are focusing on specific sectors such as housing finance, education loans, microfinance, and vehicle financing, allowing them to develop specialized expertise and create products that are finely tuned to the needs of specific customer groups.
- **Risk Mitigation:** With diversified offerings, specialized sectoral focus, and the use of advanced risk models, NBFCs are able to better manage and mitigate risks. Their focus on niche markets allows them to tailor risk models to specific customer profiles, making them more resilient in managing defaults. Banks, on the other hand, often follow more standardized risk mitigation procedures and have less flexibility to adapt to smaller, non-traditional markets.
- **Structured financing for capital efficiency:** NBFCs are actively leveraging structured financing tools such as asset securitization, co-lending, and loan assignments to raise funds. Mechanisms such as co-lending and loan assignments also help in unlocking liquidity, by facilitating capital release and strengthening capital adequacy.
- **Efficient operations:** NBFCs often have more efficient operations than banks, enabling them to offer faster turnaround times and a more personalized approach to customer needs. Their streamlined processes and flexibility allow them to better understand and respond to customers, providing tailored solutions and enhancing overall service quality.

Exhibit 15

Overall Systemic Credit – Split in NBFCs, Banks and Others¹
(%, Financial Year 2019 – Financial Year 2024, Financial Year 2029P)



Note(s): 1. Others include commercial papers, corporate bonds and external borrowings

Source(s): RBI, Redseer Research and Analysis

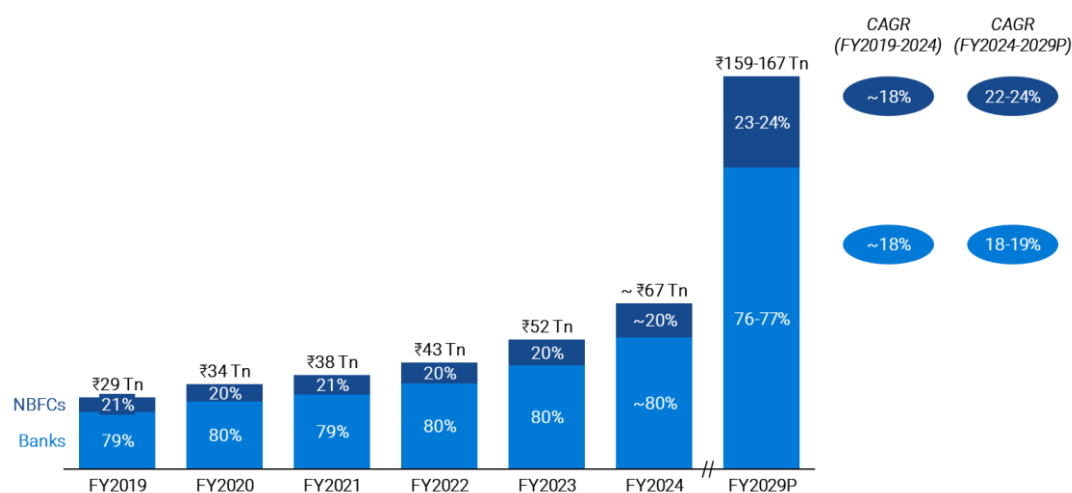
NBFC penetration in the retail category has been slightly higher. As of Financial Year 2024, NBFCs accounted for approximately 20% of the retail credit in India. Driven by their ability to provide credit to the underserved groups, NBFC retail credit has grown swiftly, at a CAGR of approximately 18% from Financial Year 2019 to

Financial Year 2024 and is expected to grow even faster at a CAGR of approximately 22-24% from Financial Year 2024 to Financial Year 2029, as NBFCs mature further and are able to penetrate the sectors with limited access to credit. At this growth rate, NBFCs have potential to enable 23-24% of India's total retail credit by Financial Year 2029.

Exhibit 16

Overall retail credit – NBFCs and Banks

(₹trillion, Financial Year 2019 – Financial Year 2024, Financial Year 2029P)



Note(s): Retail loans include housing loans, automotive loans, gold loans, education loans, consumer durables loans, personal loans, credit card receivables, microfinance and other retail loans

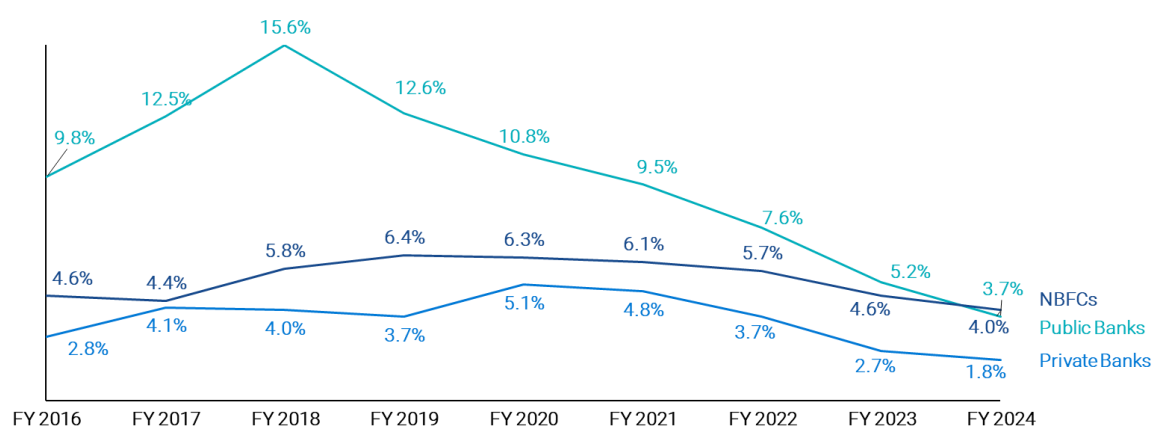
Source(s): RBI, Redseer Research and Analysis

Further, NBFCs' asset quality, represented by the Gross Non-Performing Asset ("GNPA") ratio, has shown improvement over the last 8 years. It declined from 4.6% in Financial Year 2016 to approximately 4.0% in Financial Year 2024 (though it saw an interim increase between Financial Year 2017 and Financial Year 2019). This highlights an improvement in managing and containing credit risk through superior risk management practices (such as effective underwriting models, diversified portfolios, and technology adoption to better gauge creditworthiness, mitigate risks, and maintain a healthier asset quality).

Exhibit 17

GNPA¹ ratio for NBFCs, Public Banks and Private Banks

(% of Gross Advances, Financial Year 2016 to Financial Year 2024)



Note(s): 1. Includes both retail and non-retail asset classes

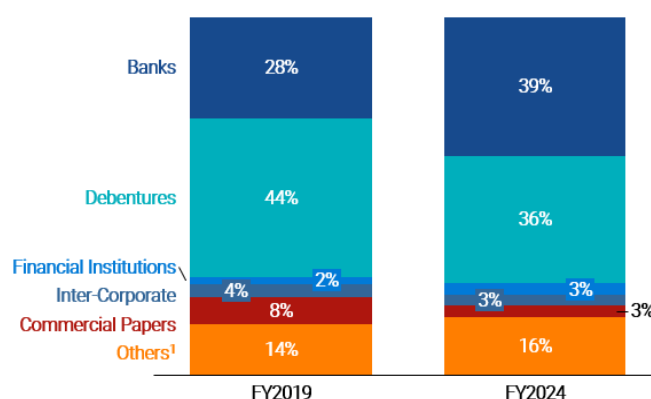
Source(s): RBI

Moreover, NBFCs have a diversified borrowing mix, including debentures, bank loans, commercial paper, inter-corporate loans, and financial institutions. In recent years, the reliance on bank borrowings has increased, rising from 28% in Financial Year 2019 to approximately 39% in Financial Year 2024. Going forward, NBFCs are undertaking steps to diversify their funding sources beyond banks by tapping into other sources of financing. This shift, supported by evolving regulations and fintech partnerships are expected to help NBFCs access broader capital pools and mitigate systemic risks, especially during financial stress. Fintech collaborations will enable NBFCs to leverage innovative solutions such as alternative credit scoring models, fraud detection, and process automation, enhancing operational agility and reducing risk.

Exhibit 18

Borrowing mix of NBFCs

(% of borrowings, Financial Year 2019, Financial Year 2024)



Note(s): 1. Others include Borrowings from Government, Subordinated debts and other borrowings

Source(s): RBI

NBFCs are well regulated entities. Some of the key regulations governing NBFCs are detailed below:

Basel Regulations

The Basel regulations are a set of international standards developed by the Basel Committee on Banking Supervision to enhance regulation, supervision, and risk management in the financial sector. Basel I, introduced in 1988, focused on credit risk and established minimum capital requirements for banks. Basel II, implemented in 2004, expanded this framework by emphasizing risk management and supervisory processes. Basel III, introduced in 2010, requires banks to maintain a Capital to Risk-Weighted Assets Ratio (“CRAR”) of at least 11.5% and mandates that NBFCs maintain a CRAR of at least 15%, promoting a stronger capital base and improved risk management practices.

Basel III also introduced liquidity norms like the Liquidity Coverage Ratio (“LCR”) and Net Stable Funding Ratio (“NSFR”) to ensure sufficient liquid assets and stable funding. Additionally, under Internal Capital Adequacy Assessment Process (“ICAAP”), banks and systemically important NBFCs are expected to assess their capital needs under stress scenarios, promoting proactive risk and capital management.

Regulatory Adjustments to Risk Weights

Risk weight on bank exposure is a regulatory measure used by regulators to evaluate the risk associated with different asset types held by banks and NBFCs. It determines the capital that banks must maintain as a buffer against potential losses. Assets perceived to have lower risk are assigned lower risk weights, while higher-risk assets require more capital allocation. In November 2023, the RBI raised risk weights for bank loans to NBFCs from 100% to 125%. However, on February 25, 2025, the RBI reversed this decision, restoring risk weights to 100% and removing higher risk weights for microfinance loans, effective April 1, 2025. This rollback was driven by a slowdown in bank credit to NBFCs in Financial Year 2025, tighter market liquidity, and the need to ensure credit flow to underserved segments for economic growth.

Scale-Based Regulations

In October 2021, the RBI introduced a four-tier regulatory framework known as Scale-Based Regulation (“SBR”) for NBFCs. This framework, which came into effect in October 2022, classifies NBFCs into four categories:

1. NBFC – Base Layer (NBFC-BL): NBFC-ND with assets < ₹10 billion, Peer-to-peer (P2Ps), Account Aggregators (AAs), Non-operative financial holding companies (NOFHCs), NBFCs not availing public funds and not having any customer interface
2. NBFC – Middle Layer: NBFC-D, NBFC-ND with assets > ₹10 billion, Standalone Primary Dealers (SPDs), Infrastructure Debt Funds (IDFs), Core Investment Companies (CICs), Housing Finance Companies (HFCs) and Infrastructure Finance Company (IFCs)
3. NBFC – Upper Layer: As of January 16, 2025, 15 NBFCs (including four HFCs) have been placed in the upper layer and are subjected to enhanced regulatory oversight
4. NBFC – Top Layer: Ideally remain empty

Additionally, NBFCs such as NBFC-ICC, NBFC-MFI, NBFC-Factors, and NBFC-MGC may belong to any layer based on SBR parameters, while government-owned NBFCs are typically in the Base or Middle Layer. This regulation aims to build a strong and resilient financial system. The SBR approach renders the regulation and supervision of NBFCs to be a function of their size, activity, and perceived risk profile.

Education loans have emerged as the fastest-growing asset class for NBFCs, with superior asset quality

NBFCs deploy retail credit across various sectors (housing loans, automotive loans, education loans, gold loans and microfinance). In Financial Year 2024, education loans accounted for ₹440 billion which has increased from ₹73 billion in Financial Year 2019. Automotive loans, however, held the largest share, accounting for approximately 35% of NBFC retail credit in Financial Year 2024.

Higher education in India offers a large and growing opportunity with education being a key priority for Indian households and a driver of social and economic mobility. The education loan market is the fastest growing market within NBFC retail credit in India and has outpaced other major loan products during the Financial Year 2021-2024 period. NBFC retail education loans grew at approximately 43% CAGR over the last 5 years (Financial Year 2019 to Financial Year 2024) and approximately 71% in the last 3 years (Financial Year 2021 to Financial Year 2024).

Exhibit 19. Distribution of NBFC retail credit across asset classes – Gross Advances

(₹billion, Financial Year 2019, Financial Year 2021, Financial Year 2024)

Asset Class	Financial Year 2019	Financial Year 2021	Financial Year 2024	CAGR (Financial Year 2021-24)	CAGR (Financial Year 2019-24)
Automotive Loans	3,041	3,566	4,748	10%	9%
Gold Loans ²	-	948	1,535	17%	-
Microfinance loans/ SHG loan ²	-	573	1,485	37%	-
Credit Card Receivables	198	260	557	29%	23%
Housing Loans	184	215	336	16%	13%
Education Loans ³	73	88	440	71%	43%
Consumer Durables	196	183	410	31%	16%
Other Retail Loans ¹	2,295	2,032	4,187	27%	-
Total Retail Loans	5,988	7,865	13,698	20%	18%

Note(s): 1. Other retail loans include Advances against Fixed Deposits, Advances to Individuals against Shares, Bonds, and other retail loans. 2. For Financial Year 2019, Gold and micro finance loans are not mentioned separately. 3. Data for education loans has been sourced from Equifax.

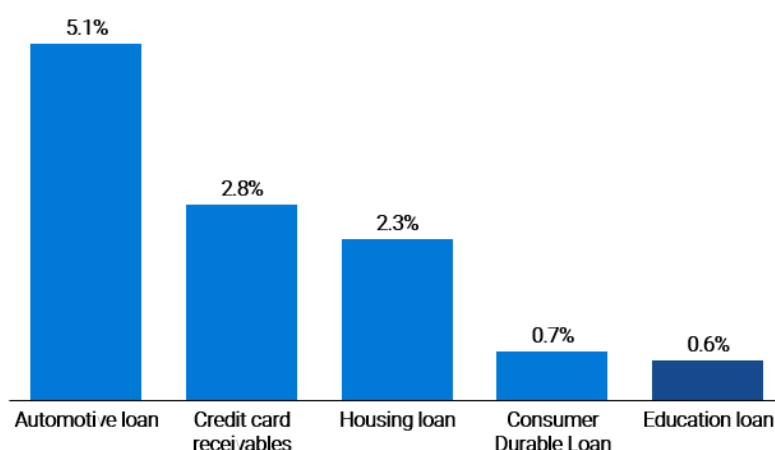
Source(s): Equifax, RBI, Redseer Research and Analysis

The GNPA ratio of NBFCs for education loans has also been superior to other asset classes. It stood at approximately 0.6% as of Financial Year 2024, while overall housing loans have a GNPA of approximately

2.3%, and automotive loans hover at approximately 5.1% – demonstrating better asset quality. This superior asset quality is attributed to selective lending practices focused on academically strong students, high-ranked institutions, and in-demand courses, as well as the higher earning potential of graduates, particularly those working abroad. Cultural factors, such as parental support and prioritization of loan repayment, further contribute to the lower default rates in education loans.

Exhibit 20

GNPA ratio comparison for retail sectors of NBFCs – Automotive, Housing, Education, Credit card receivables and Consumer Durable loans
(%, Financial Year 2024)

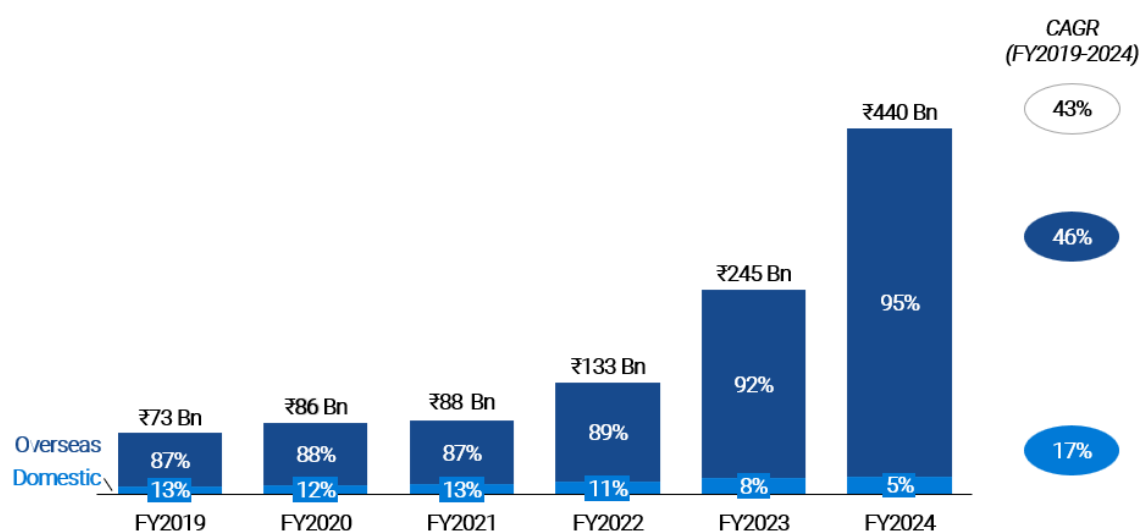


Source(s): Equifax, RBI

Within education loans, overseas loans accounted for 95% of the NBFC portfolio in Financial Year 2024 and is scaling up faster than the domestic category.

Exhibit 21

Outstanding education loans for NBFCs – Overseas and Domestic
(₹billion, Financial Year 2019 to Financial Year 2024)



Note(s): The outstanding education loan market segmentation for NBFCs is calculated as follows: 95% of loans between ₹1.5-2.5 million average ticket size and 100% of loans greater than ₹2.5 million ticket size are considered as overseas loans, while the remaining is categorized as domestic loans

Source(s): Equifax, Redseer Research and Analysis

India Education Market and the Growing Need for Financing

India's overall education market, sized at approximately ₹19,186 billion in Calendar Year 2024 and is projected to grow at a CAGR of 11-13% between Calendar Year 2024 and Calendar Year 2029, driven by increasing demand for higher education. Within this, the overseas education sector is witnessing rapid growth in India, fuelled by aspiration for better quality education, favourable immigration policies, desire for better standard of living, talent shortage overseas, rising demand for international students overseas, evolving and expanding ecosystem, and availability of overseas financing. Accessibility of funds remains a key concern for Indian students with overseas education aspirations, creating a strong need for financing in the market. Despite this need, loan penetration for overseas education remains low at 10.5% in Calendar Year 2024, indicating significant room for growth, and is projected to grow rapidly to reach 11-13% by Calendar Year 2029. The rise in NBFC driven lending is leading this transformation.

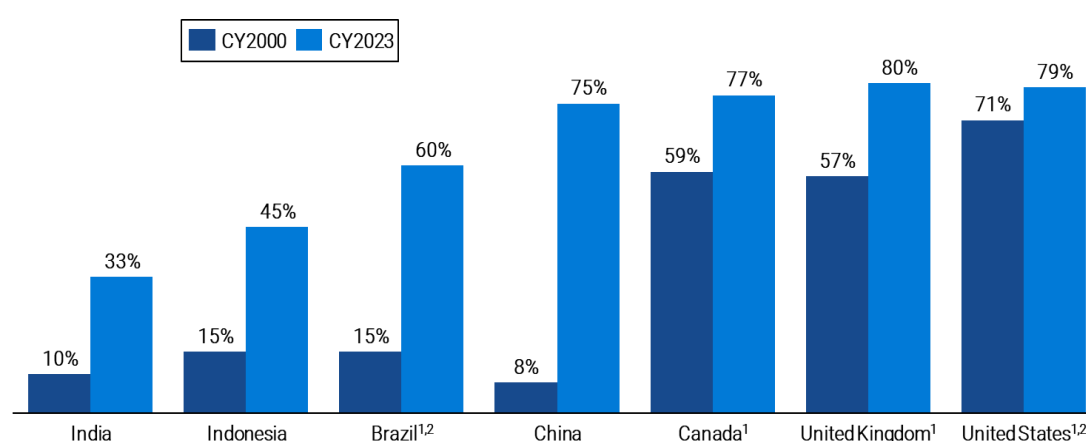
Indian education market is growing fast on the back of the untapped potential in the domestic higher education sector

India has a large education market (including both overseas and domestic) sized at ₹19,186 billion in Calendar Year 2024, which is projected to grow at a healthy CAGR of 11-13% between Calendar Year 2024 and Calendar Year 2029.

One of the key factors contributing to this projected growth is the significant scope for improvement in the Gross Enrolment Ratio (“GER”) for higher education. GER is defined as the % of students enrolled in tertiary education (refers to all formal post-secondary education, including public and private universities, colleges, technical training institutes, and vocational schools) divided by the total population aged 18-23 who is eligible for tertiary education enrolment after completion of school. India’s GER for higher education stands at 33% (as of Calendar Year 2023), compared to 75%, 77%, 80% and 79% in markets such as China, Canada, the UK, and the US, respectively. The GER for China and India has grown exponentially from 8% and 10% respectively in Calendar Year 2000. The GER for Canada, the UK and the US has also grown (while at a slower rate) from 59%, 57% and 71% respectively in Calendar Year 2000 (Calendar Year 1999 for the US) to 77%, 80% and 79% respectively as of Calendar Year 2022. This gap, influenced by barriers such as limited access to quality education, financial constraints related to high tuition fees, and socio-economic challenges (such as inadequate awareness of educational opportunities and a lack of support systems for students from lower-income backgrounds), highlights untapped potential in India’s higher education market. Additionally, the widespread English-speaking population further enhances India's global competitiveness, enabling students to pursue international education and career opportunities effectively.

Exhibit 22

Gross Enrolment Ratio^{3,4} – Higher Education⁵
(%, Calendar Year 2000 and Calendar Year 2023 (unless specified in the notes))



Note(s): 1. Data for Canada, the UK, Brazil and the US as of Calendar Year 2022 instead of Calendar Year 2023, 2. Data for the US and Brazil as of Calendar Year 1999 instead of Calendar Year 2000.

3. GER is defined as the % of students enrolled in tertiary education divided by the total population aged 18-23 who is eligible for tertiary education enrolment after completion of school.

4. GER does not include students studying overseas.

5. Indicates tertiary school enrolments.

Source(s): World Bank

The overseas education market, accounting for approximately 18% of India's education market in Calendar Year 2024, is expanding more rapidly. Sized at ₹3,422 billion in Calendar Year 2024, this market is expected to reach ₹7,500 – 8,000 billion by Calendar Year 2029, reflecting a CAGR of 17-19% (Calendar Year 2024 to Calendar Year 2029).

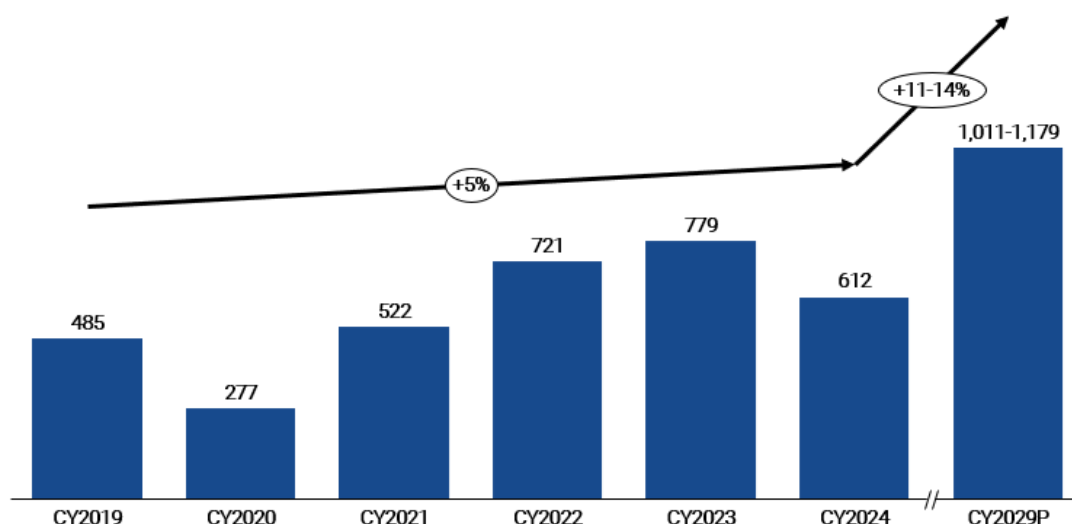
A. Overseas Education Market (Total Addressable Market (“TAM”)) is poised to grow at 17-19% CAGR between Calendar Year 2024 and Calendar Year 2029

India has emerged as a major source of international students for universities worldwide. In recent years, the number of Indians studying overseas has increased, and this trend is expected to continue in the future as well. Indian students continue to constitute a significant 26% of international students in leading education hubs (including the US, the UK, Australia, and Canada) as of Calendar Year 2024. According to Home Affairs Office/Education Ministry of key education hubs (the US, the UK, Canada, Australia, Germany, UAE, Ireland, and Singapore), approximately 611,655 student visas were issued for Indians studying overseas in Calendar Year 2024, an increase from approximately 484,728 in Calendar Year 2019, reflecting a CAGR of 5% over this period.

Exhibit 23

Total number of visas issued to Indian Students

(# of students in '000s, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)



Note(s): Calendar Year 2020 saw a decline due to the impact of COVID-19. The dip in Calendar Year 2024 can be attributed to the extraordinary demand observed in Calendar Year 2022 and Calendar Year 2023, with Calendar Year 2024 returning to a more normalized level.

Source(s): Home Affairs Office/Education Ministry of Key Education Hubs (the US, the UK, Canada, Australia, Germany, UAE, Ireland, and Singapore), Redseer Research and Analysis

Several demand and supply-side factors have driven this growth. The key demand side factors include:

- **Aspiration for better quality education:** Overseas education is becoming an increasingly attractive option for Indian students seeking high-quality education, globally recognized programs (particularly STEM programs), and overseas exposure, with limited options domestically and a growing demand for higher quality education. As per leading university ranking agencies, 40-45% of the top 100 universities are based in the US and the UK. This has created a strong demand among international students (including Indian students) to receive education from the top universities in these markets. Leading Indian universities, on the other hand, have lower acceptance rates of approximately 1%, compared to that in other countries, due to intense competition in the domestic market.

Further, Indian families view overseas degrees as gateways to superior career opportunities, personal growth, and competitive edge in the global job market. Studying at overseas universities enables Indian families to enhance their socio-economic status, as graduates often secure careers with attractive salaries.

For example, in the US, annual salaries for similar job roles range from US\$ 65,000 to US\$ 115,000, compared to an average annual salary of US\$ 7,000 to US\$ 13,000 in India. Along with the financial upside, overseas education enables students to access better lifestyle and career growth opportunities.

- **Favourable immigration policies:** Immigration policies remain favourable for international students across major study destinations, with post-study work visa permits providing students the opportunity to gain valuable work experience. As of February 2025, some of the initiatives are:
 - **US:** The US offers international students F-1 visas with opportunities for work experience through Curricular Practical Training (CPT) during studies and Optional Practical Training (“OPT”) following completion of the course of study. OPT allows 12 months of work in a field related to the student’s major, with a 24-month extension provided to Science Technology Engineering and Management (“STEM”) graduates. Additionally, universities in the US offer strong support through dedicated international offices, helping students to navigate through work authorizations, cultural integration, and career opportunities.
 - **UK:** The UK has attractive post-graduation work policies such as the Graduate Visa which allows bachelor’s and master’s graduates to stay and work in the UK for 2 years, while PhD holders can remain for 3 years with straightforward eligibility criteria, such as holding a valid Student Visa and completing a recognized course.
 - **Canada:** Canada’s Post-Graduation Work Permit (“PGWP”) offers an opportunity for international students to stay and work after completing their studies. The duration of the permit is based on the length of the study program: for programs lasting 8 months to less than 2 years, the PGWP is valid for the same duration as the program, and for programs of 2 years or more, graduates can receive a permit valid for up to 3 years. To be eligible, students must have completed their program at a Designated Learning Institution (“DLI”), apply within 180 days of receiving confirmation of program completion, and hold a valid study permit. Additionally, working in Canada post-graduation can facilitate the process of obtaining Permanent Residency (“PR”), providing international students with an opportunity to explore long-term career and settlement options in the country.
 - **Australia:** Australia’s Post-Higher Education Work Visa (formerly the Post-Study Work Visa) offers international students an opportunity to work in the country after completing their studies. To be eligible, applicants must have completed a bachelor’s, master’s, or doctoral degree from a recognized Australian university, have studied in Australia for at least 16 calendar months, and apply within six months of completing their studies. Applicants must also be under 35 years old, demonstrate English proficiency, and provide medical and character certificates. The temporary visa duration varies based on the degree level: up to 2 years for bachelor’s and master’s degrees (coursework and extended), and up to 3 years for master’s degrees (research) and doctoral degrees.

While there has been some recent global uncertainty around immigration policies in countries such as Australia, Canada, the United Kingdom, and the United States, students pursuing higher education are generally regarded as skilled immigrants with the potential to contribute positively to the workforce. Long-term supply-side factors continue to support skilled immigration across these countries including the higher education sector’s reliance on international students for fees and funding, and the job market’s demand for qualified talent, particularly in STEM fields.

- **Better standard of living overseas:** Many countries offer a higher standard of living, denoted by factors such as better air quality, higher life expectancy, developed infrastructure (transportation, electricity, and internet connectivity) and access to healthcare. For example, countries such as the US and Germany have more hospital beds per capita (e.g., 6 hospital beds per 1,000 people in Germany, according to the German Federal Statistical Office compared to India’s 1 bed per 1,000 people, according to the Ministry of Health and Family Welfare as of Calendar Year 2023). Life expectancy at birth (The average number of years of life expected) is also higher in countries such as the UK (81.45 years) and the US (79.46 years) compared to India’s 72.24 years as of Calendar Year 2024, according to the United Nations.

On the supply side, the key growth factors are:

- **Talent Shortage Overseas:** The drive towards studying overseas is a result of several factors. These include, aging populations in certain countries leading to increased reliance on international students to

support their labour markets, and dependence of foreign universities and colleges on overseas students considering reducing income from domestic students. The US and UK are facing significant workforce shortages due to aging populations and a subsequent rise in demand for skilled professionals. By 2030, nearly 40% of the UK population is projected to be over 50, intensifying the need for skilled workers which includes essential sectors such as healthcare, IT, and engineering. Developed countries also face a shortage of STEM professionals, a concern highlighted by educational and industry bodies. For instance, in the US, only 16.9% of graduates in 2022 were from STEM fields, according to the U.S. Bureau of Labor Statistics. In comparison, approximately 33-35% of undergraduate (“UG”) and 26-28% of postgraduate (“PG”) in India were from STEM fields in Financial Year 2022, as reported by All India Survey on Higher Education (“AISHE”) 2021-22.

- **High demand for international students overseas:** With declining GER in countries such as the US (where GER declined from 88% in Calendar Year 2018 to 79% in Calendar Year 2022, as per World Bank), foreign universities have increasingly relied on international students. These students also help universities to boost earnings, as they pay 2-3 times higher tuition fees than domestic students. In addition, these students make a significant contribution to the economy of the country where they are studying, as approximately 38% of their overall spending goes towards living and housing expenses. Furthermore, they contribute to the GDP of these countries through their employment post-graduation. Additionally, many universities and colleges in these countries depend on international students to offset declining enrolment and income from domestic students
- **Evolving and Expanding Ecosystem:** The evolving and expanding ecosystem of overseas education counsellors and partners, including education consultants, student counsellors, loan aggregators, and test prep providers, plays a crucial role in raising awareness about university and course options, as well as career opportunities, particularly in the emerging markets. Education counsellors are instrumental in guiding students through the complex process of selecting the right universities and programs based on their aspirations, academic background, and career goals. They provide personalized advice, helping students navigate admissions requirements, visa processes, and scholarship opportunities.
- **Availability of overseas financing:** The robust growth in overseas education loan disbursements, rising from ₹87 billion in Calendar Year 2019 to ₹358 billion in Calendar Year 2024 at a CAGR of approximately 33%, underscores increased financial accessibility for students. This growth is further supported by the introduction of student-friendly products by several NBFCs, such as minimal or interest-only equated monthly instalments (“EMIs”), flexible repayment tenures, and customized loan structures tailored to individual needs. These innovations address students' financial constraints, making overseas education more accessible. However, the space remains underpenetrated, indicating significant headroom for growth as more students explore financing options to manage tuition, living expenses, and other associated costs.

Summing up, students are motivated by opportunities for high-quality education, access to globally recognized programs, wider range of career prospects, the ability to gain overseas exposure and overseas destination countries increasingly relying on foreign students due to aging populations, generating a demand for skilled labour to support their economies and labour markets.

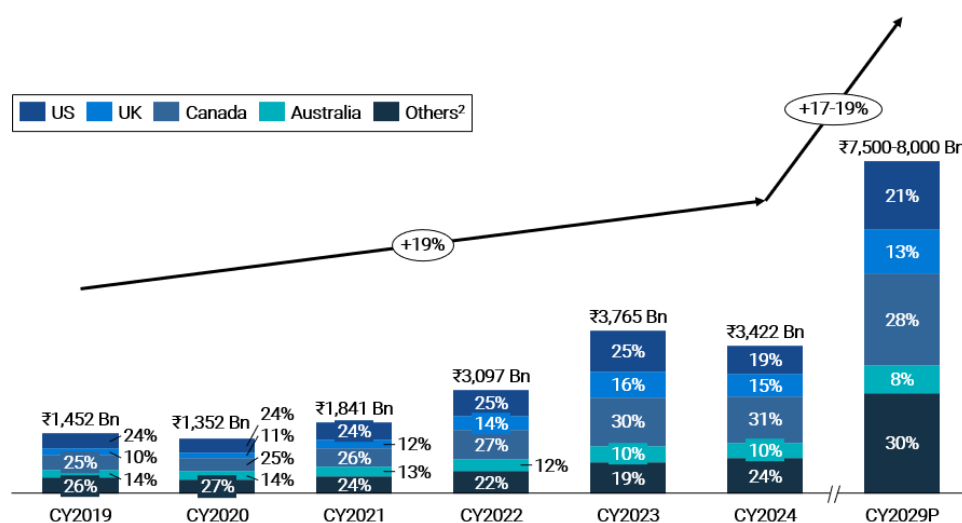
Four countries, namely the US, the UK, Canada, and Australia have historically driven India’s overseas education demand and are expected to continue doing so

Historically, the United States (US), Canada, the United Kingdom (UK) and Australia, have been the preferred destinations for Indian students. The combined market share of these countries in terms of visas issued to Indian students has risen from 58% in Calendar Year 2019 to 65% in Calendar Year 2024, as they reopened their borders post-COVID and relaxed key regulations. While historically the United States attracted a substantial majority of Indian students (by value) to study, current trends indicate that other developed countries also provide high quality and skill-based education and employment opportunities to Indian students, leading to a growth in the total addressable market, and diversity and resilience in the sector. Further, in recent years, there has been growing interest among Indian students studying in other developed countries, such as Germany and Ireland, driven by high-quality education providers, immigration-friendly policies, and improved employment opportunities.

Exhibit 24

Total Addressable Market (TAM)¹

(₹billion, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)

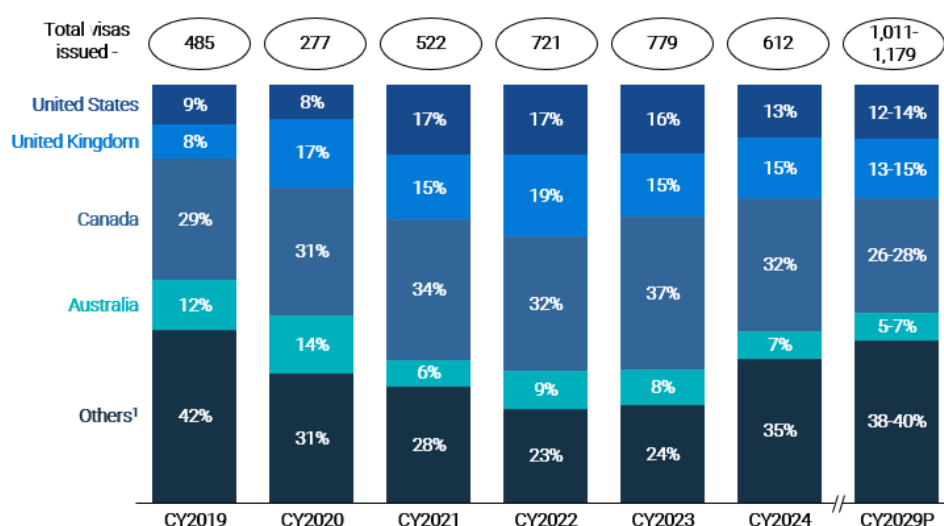


Note(s): 1. TAM is defined as the total annual expenditure by Indian students pursuing higher education overseas, 2. Others include countries like New Zealand, Ireland, Germany, UAE, Singapore, France and other smaller education destinations.

Source(s): Ministry of External Affairs (India), Bureau of Consular Affairs (the US), Immigration, refugees and citizenship (Canada), Department of Home Affairs (the UK), Ministry of Education (Australia), Federal Foreign Office (United Arab Emirates), Auswärtiges Amt (Germany), Higher Education Authority (Ireland), United Nations Educational Scientific and Cultural Organisation (UNESCO), Redseer Research and Analysis

Exhibit 25

Visas issued to Indian students – Share of 4 countries (US, UK, Canada and Australia) vs Others¹ (% , Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)



Note(s): 1. Others include countries like New Zealand, Ireland, Germany, UAE, Singapore, France and other smaller education destinations.

Source(s): Ministry of External Affairs (India), Bureau of Consular Affairs (the US), Immigration, refugees and citizenship (Canada), Department of Home Affairs (the UK), Ministry of Education (Australia), Federal Foreign Office (United Arab Emirates), Auswärtiges Amt (Germany), Higher Education Authority (Ireland), United Nations Educational Scientific and Cultural Organisation (UNESCO), Redseer Research and Analysis

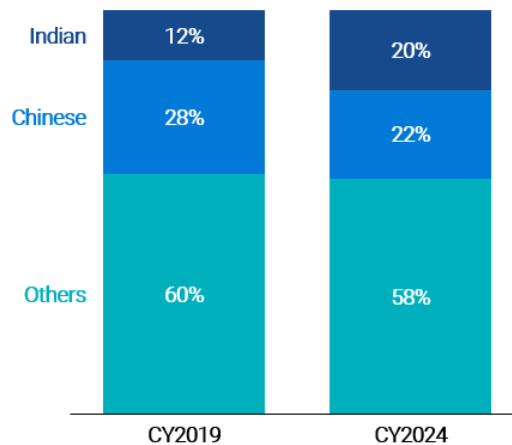
Each of these countries offers unique characteristics that appeal to international students:

- US

- The US remains one of the largest and most renowned destinations for overseas education, particularly known for its STEM and PG programs.
- Approximately 73% of Indian students pursue STEM-related courses, and 86% of Indian students enrol in PG programs. According to Redseer Estimates, the share of Indian students is estimated to increase from 12% of the overall international students in Calendar Year 2019 to 20% in Calendar Year 2024.

Exhibit 26

Split of International students pursuing higher education in the US by country of origin - India, China, and Others (% , Calendar Year 2019, Calendar Year 2024)



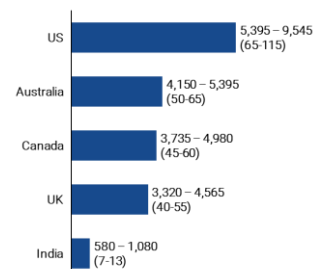
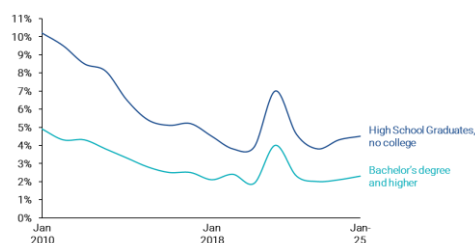
Source(s): Redseer Research and Analysis

- Between Calendar Year 2019 and Calendar Year 2024, the number of visas issued to Indian students for studying in the US grew from 45,000 to 77,000, reflecting a robust CAGR of 11%. While the growth rate has moderated due to recent changes in the US administration, the overall outlook for the US remains stable.
- Several long-term factors are enabling the growth in the US market (which is expected to propel the market growth over the next 5 years).
 - **Attractive labour market:** The attractive labour market, particularly for STEM graduates, enables Indian students to improve their socio-economic status. According to the US Bureau of Labor Statistics, the employment for software developers, quality assurance analysts, and testers (who require STEM education), is projected to grow 17% from Calendar Year 2023 to Calendar Year 2033, significantly outpacing the average growth rate of 4% for all occupations.
 - **Low unemployment rates:** In the US, the unemployment rate for individuals with a bachelor's degree or higher has dropped from 4.9% in January 2010 to 2.3% in January 2025, highlighting strong demand for skilled professionals, according to the U.S. Bureau of Labor Statistics. The US also offers the highest average annual salary globally, ranging from ₹5,395,000–9,545,000 (US\$ 65,000–115,000), outpacing countries like Australia (₹4,150,000–5,395,000 (US\$ 50,000–65,000)) and India (₹580,000–1,080,000 (US\$ 7,000–13,000)).

Exhibit 27

Unemployment rate –Higher school graduates and Bachelor's degree and higher (% , Jan '10 – Jan '25)

Country-wise comparison of average salary¹ (₹'000 (US\$ '000), Calendar Year 2024)



Note(s): 1. Roles considered are Senior Software Developer Engineer, Finance and Account Manager, Support Engineer, Business Analyst, Staff Accountant and others

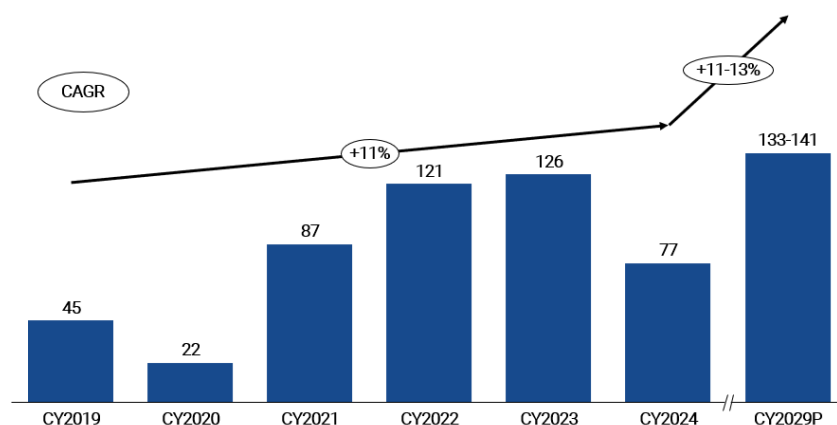
Source(s): US Bureau of Labor Statistics, Redseer Research and Analysis

- **Post-study work:** Extended post-study work period for STEM OPT allows international students with STEM degrees to work in the US for up to 36 months after graduation, as of December 2024.
- **Support programs:** Many US universities have also introduced pathway programs, which support students with lower language proficiency, by allowing them to complete preparatory courses and transition into degree programs.
- **Growing Indian diaspora:** The growing Indian diaspora in the US offers cultural familiarity and a strong professional network, further enhancing the appeal of studying in the country. According to the Ministry of External Affairs, approximately 5.4 million Indians reside in the US.
- **Global recognition:** US degrees remain widely recognized and respected around the world, particularly in STEM fields. This global recognition makes it an attractive option for Indian students who seek both quality education and strong career prospects.

Exhibit 28

US: Visas issued to Indian students

(# of students in '000s, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)



Source(s): U.S Department of State: Bureau of Consular Affairs, Redseer Research and Analysis

- In 2022 and 2023, the number of Indian students going to the US saw a sharp rise, as many students had deferred or postponed their plans to study overseas (in the preceding years), due to travel restrictions, visa processing delays and uncertainties around in-person classes on account of the COVID-19 pandemic. This was accompanied by the decline in the number of Chinese students as a percentage of international students from 28% in Calendar Year 2019 to 22% for Calendar Year 2024. In Calendar Year 2024, this growth is expected to stabilize,

leading to a normalization in the number of Indian students pursuing education in the US.

- The US has issued approximately 77,000 visas to Indian students in Calendar Year 2024; this number is projected to grow at a CAGR of 11–13%, reaching 133,000–141,000 by Calendar Year 2029.

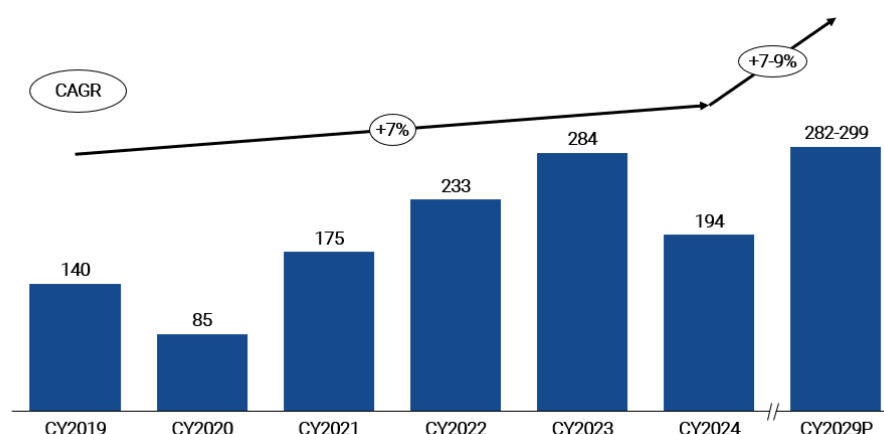
- **Canada**

- Canada has emerged as a key destination for Indian students. Traditionally, it has been a diploma-first market with a relatively affordable tuition fee, where students primarily enrolled with the goal of obtaining PR in the country. According to the Government of Canada, approximately 86,000 PRs were issued to Indians in Calendar Year 2018, increasing to approximately 127,000 in Calendar Year 2024.
- Between Calendar Year 2019 and Calendar Year 2024, the market experienced significant growth, with the number of visas issued to Indian students in Canada rising to 194,000 in Calendar Year 2024, up from 140,000 in Calendar Year 2019. Canada's immigration-friendly policies was a key driver for this growth, along with the other factors mentioned above.

Exhibit 29

Canada: Visas issued to Indian students

(# of students in '000s, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)



Source(s): Immigration, refugees and citizenship, Canada, Redseer Research and Analysis

- Since mid-2023, Canada has introduced regulatory restrictions for two main purposes: first, to improve the quality of international students coming to the country (as a majority of students post pandemic were getting enrolled in diploma courses in public-private partnership (“PPP”) universities), and second, to address the housing crisis in its metropolitan cities. As part of these measures, the Canadian government proposed a 35% reduction in international student visa grants through Calendar Year 2026, which is beginning to impact international student figures. These regulations are expected to primarily affect diploma students, especially those studying at PPP universities. In addition to this the Canadian government plans a further 10% reduction in the allocations for study permits in Calendar Year 2025 as compared to Calendar Year 2024.
- Canada's Student Direct Stream (SDS), a program designed to expedite study permits for students from 14 countries, was discontinued on November 8, 2024, to promote equal access for all applicants, resulting in longer visa processing times. The Calendar Year 2026 study permit intake cap will include master's and doctoral students who will need to submit a provincial or territorial attestation letter, with approximately 12% of study permit allocations reserved for them, acknowledging their contributions to Canada's labor market, according to the government of Canada.
- The PGWP allows graduates from DLIs in Canada to work after completing their studies. The permit duration varies - it is unavailable for programs under 8 months, matches the program length for studies of 8 months to less than 2 years, and is valid for up to 3 years for programs of 2 years or more. Graduates must apply within 180 days of completing their program, with a valid study permit at the time of application, as of December 2024.
- The long-term outlook for Canada remains positive driven by factors such as:
 - **Growth in STEM related occupations:** According to the Government of Canada, from Calendar Year 2022 to Calendar Year 2031, the country is expected to see

44,300 new job openings for software engineers and designers, driven by expansion and replacement demand. These roles are expected to be filled by approximately 48,800 new job seekers through, immigration, and mobility. As of 2021, employment in this sector stood at approximately 106,000.

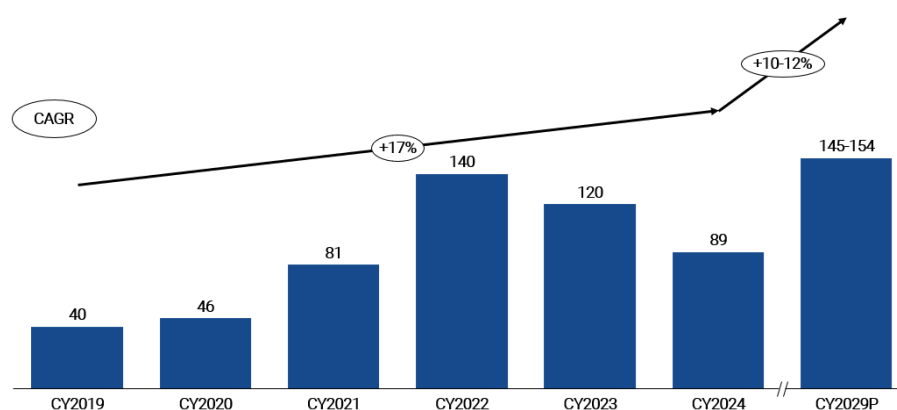
- **International students:** In Calendar Year 2023, international students constituted 16% of bachelor's degree enrolments and 24.5% of master's degree enrolments, according to Statistics Canada, reflecting the importance of international students for Canadian universities.
 - **Part-time work opportunities:** Additionally, Canada's flexible work policies allow students to work part-time while studying, with an average hourly wage ranging from ₹900 to 1,195 (US\$ 11 to 14). This helps students cover living expenses, which aids in managing the overall cost of education.
- As a result, the number of visas issued to Indian students in Canada is projected to grow from approximately 194,000 in Calendar Year 2024 to 282,000-299,000 by Calendar Year 2029, at a CAGR of 7-9%. This already accounts for the correction seen in the number of students in Calendar Year 2024 due to change in policy.

• UK

- The UK is another major destination with a strong university ecosystem, across both UG and PG programs in STEM and non-STEM fields. According to the Higher Education Student Statistics of the UK, there were over 2.9 million higher education students in 2022-23, with 70% being UGs and 30% PGs across more than 280 higher education institutions. Additionally, the UK is favoured for its proximity and access to European markets.
- In Calendar Year 2024, the UK issued 89,000 visas to Indian students, growing at a CAGR of 17% from 40,000 visas in Calendar Year 2019. This growth can be attributed to the availability of post-study work visas, strong employment prospects for students, and relatively affordable PG courses compared to the US.

Exhibit 30

United Kingdom (UK): Visas issued to Indian students
(# of students in '000s, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029)



Source(s): Government of United Kingdom, Redseer Research and Analysis

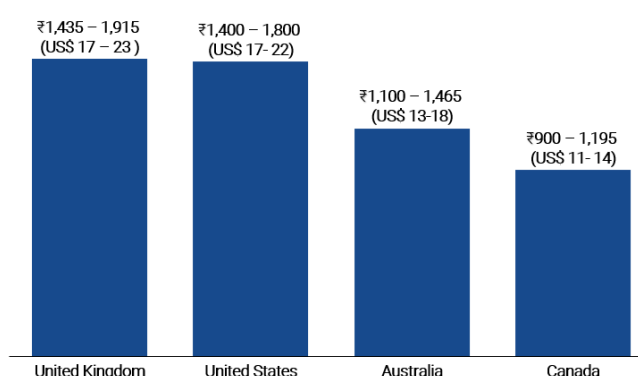
- The growth forecasts remain healthy for the UK supported by multiple long-term drivers such as:
 - **Share of international students:** The large share of international students in the UK makes universities dependent on them as a key source of income. According to the House of Commons Library, in Calendar Year 2023, there were 758,855 international students out of total 2.9 million students enrolled at UK universities, with India contributing 126,600 students.
 - **Post-Graduation visa scheme:** The UK offers a Graduate Visa, allowing international students to stay and work for up to 2 years after completing a bachelor's or master's degree, or 3 years for those with a PhD or doctoral qualifications. To be eligible, students must be in the UK at the time of application, hold a valid student or Tier 4 general visa, and have completed a recognized course at a UK institution. Applications must be made before the current student visa expires, and students can apply once their

education provider confirms course completion to the Home Office, as of December 2024.

- **Growing Indian diaspora:** The growing Indian diaspora in the UK significantly enhances its appeal as a study destination by providing cultural familiarity, community support, and a robust professional network. According to the UK Government, approximately 1.9 million Indians reside in England and Wales as of Calendar Year 2021, accounting for 3.1% of the total population, up from 2% in Calendar Year 2001. This steady growth highlights the strong presence and integration of the Indian community in the UK, making it easier for Indian students to adapt.
- **Attractive work opportunities:** The UK offers the highest average hourly wages for part-time workers at ₹1,435–1,915 (US\$17–23), followed by the US at ₹1,400–1,800 (US\$17–22), Australia at ₹1,100–1,465 (US\$13–18), and Canada at ₹900–1,195 (US\$11–14). This provides attractive part time opportunities which help students to cover their living expenses.

Exhibit 31

*Average salaries of part-time workers per hour – UK, US, Australia, Canada
(₹(US\$), Calendar Year 2024)*



Note(s): Part time workers roles include lab assistant, research assistant, data entry specialist, customer service advisor, sales associate etc.

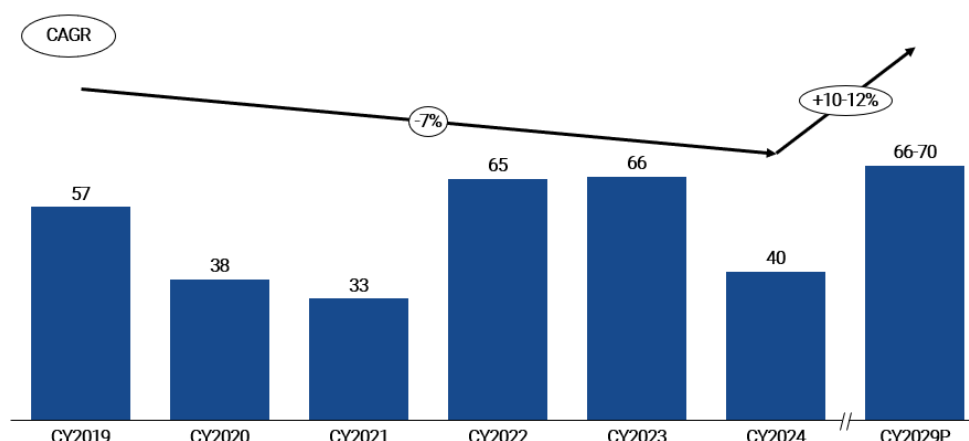
Source(s): Redseer Research and Analysis

- **Low unemployment rate:** According to the Office of National Statistics, the unemployment rate for individuals aged 16 and above was approximately 4.4% from October to December 2024, decreasing from approximately 5.2% during the same period in 2000.
 - In 2023, the UK introduced new visa regulations that restricted the issuance of dependent visas for students to enhance the quality of incoming international students. Under the new rules, international students are no longer able to bring dependents along with them unless they are pursuing PG courses at a certain level. This change has led to a decline in the number of visas issued to Indian students in the UK, with the figures dropping from 120,000 in Calendar Year 2023 to 89,000 in Calendar Year 2024.
 - The UK market has shown strong demand historically, and there remains potential for a rebound in the long term. As a result, the number of visas issued to Indian students in the UK is projected to reach 145,000-154,000 by Calendar Year 2029, growing at a CAGR of 10-12% between Calendar Year 2024 and Calendar Year 2029.
- **Australia**
 - Historically, Australia has been a non-STEM dominated market with a balanced mix of various universities offering a broad range of academic programs. However, in recent years, there has been a noticeable shift towards increasing the share of STEM courses. This change is largely driven by government initiatives and a global surge in demand for STEM-related education.
 - Between Calendar Year 2019 and Calendar Year 2024, the number of visas issued to Indian students in Australia has degrown at a CAGR of -7%, falling from 57,000 in Calendar Year 2019 to 40,000 in Calendar Year 2024. A key factor behind this degrowth, compared to other major education hubs, was the introduction of the Genuine Student (GS) requirement, which replaced

the previous Genuine Temporary Entrant (GTE) criterion. The GS test includes more stringent assessments of a student's intent and background, leading to higher visa rejection rates particularly for students targeting Tier-2 and 3 universities, which have relaxed admission rules. Moreover, the show of funds required for the visa has been increased from AUD 10k to 30k further leading to higher visa rejections. Additionally, the Australian govt. has raised the minimum threshold for IELTS, making it harder for students to score. All of the factors in unison have led to the degrowth between CY2019 and CY2024

Exhibit 32

Australia: Visas issued to Indian students
 (# of students in '000s, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)



Source(s): Department of Home Affairs, Government of Australia, Redseer Research and Analysis

- This decline in number of visas issued to Indian students between Calendar Year 2023 to Calendar Year 2024 is anticipated to stabilize driven by the below mentioned factors:
 - **Growing demand for skilled workforce:** In recent years, Australia has become a preferred destination for Indian students, particularly for higher education and vocational skills. This is driven by Australian Government's initiatives to meet the growing demand for skilled professionals in tech, engineering, and innovation. The number of students enrolled in STEM courses has risen from 209,000 in Calendar Year 2015 to 242,000 in Calendar Year 2022, while STEM graduates have increased from 40,000 in Calendar Year 2015 to 48,000 in Calendar Year 2022, as per the Australian Government.
 - **Impact of International students:** International students play a crucial role in supporting Australia's economy. The closure of borders during the COVID-19 pandemic led to a decline in the number of visas issued, reflecting its impact on the country's economy.
 - **Low Unemployment rate:** According to the Australian Bureau of Statistics, the unemployment rate was approximately 4.0% in January 2024, decreasing from approximately 5.5% in January 2018.
 - **Post-study work opportunities:** Australia's Post-Higher Education Work Visa allows international graduates to work after completing a bachelor's, master's, or doctoral degree from a recognized university. Applicants must have studied for at least 16 months, be under 35 years old, and meet English proficiency, medical, and character requirements. The temporary visa duration varies, offering up to 2 years for bachelor's degrees and up to 3 years for research-based master's and doctoral programs, providing valuable post-study work opportunities, as of December 2024.
 - **Announcement of Temporary Graduate Visa Scheme** – Under the scheme students are offered up to 5 years of work visa in regional education centres such as Gold Coast, Tasmania etc. compared to major cities like Melbourne and Sydney, where the visa is offered for 3 years, post completion of masters.
- Australia is projected to grow at 10-12% CAGR (Calendar Year 2024 to Calendar Year 2029) in terms of number of visas issued to Indian students. The emergence of favourable regulatory

policies and a strong need for STEM talent, are expected to drive this rapid growth.

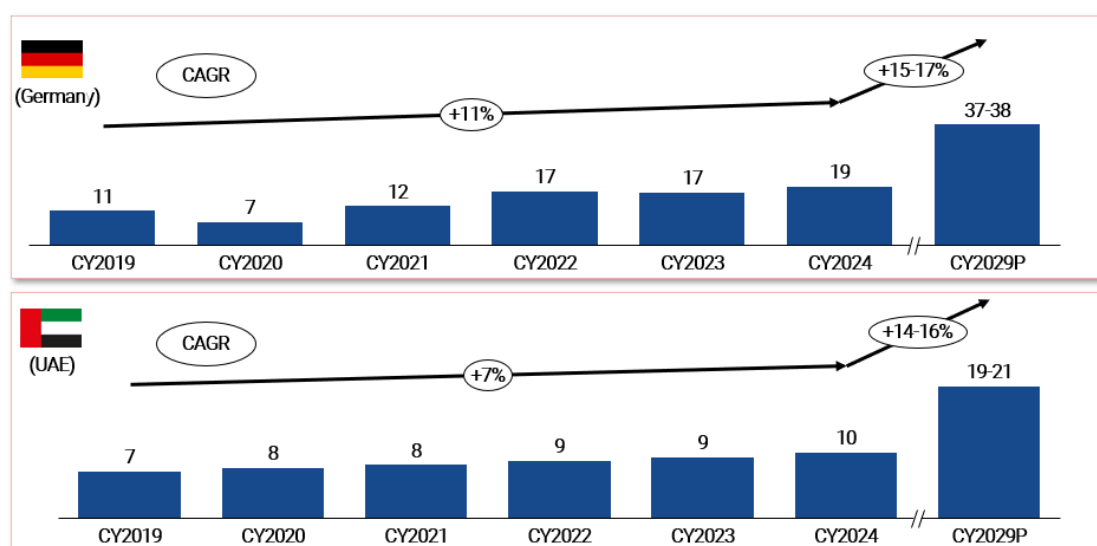
New geographies emerging fast as alternate overseas education destinations for Indian students

Several overseas destinations are emerging as attractive hubs for Indian students. Germany, the UAE, Ireland, and Singapore, are seeing significant growth in student numbers, driven by favourable policies, financial incentives, and career opportunities. Germany's free public university education and work opportunities for students are expected to increase the number of visas issued to Indian students from 19,000 in Calendar Year 2024 to 37,000 – 38,000 by Calendar Year 2029. The UAE's expanding job market is also contributing to an increase in Indian students, with visas issued to Indian students projected to rise from 10,000 in Calendar Year 2024 to 19,000-21,000 by Calendar Year 2029. Ireland's student-friendly policies and post-study work visa is projected to double the number of visas issued to Indian students from 6,000 in Calendar Year 2024 to 15,000-17,000 by Calendar Year 2029. Singapore's growing PG offerings and proximity to India are expected to boost visas issued to Indian students from 8,000 to 15,000-17,000 over the same period.

Exhibit 33

Visas issued to Indian students – Germany and UAE

(# of students in '000s, Calendar Year 2019-Calendar Year 2024, Calendar Year 2029P)

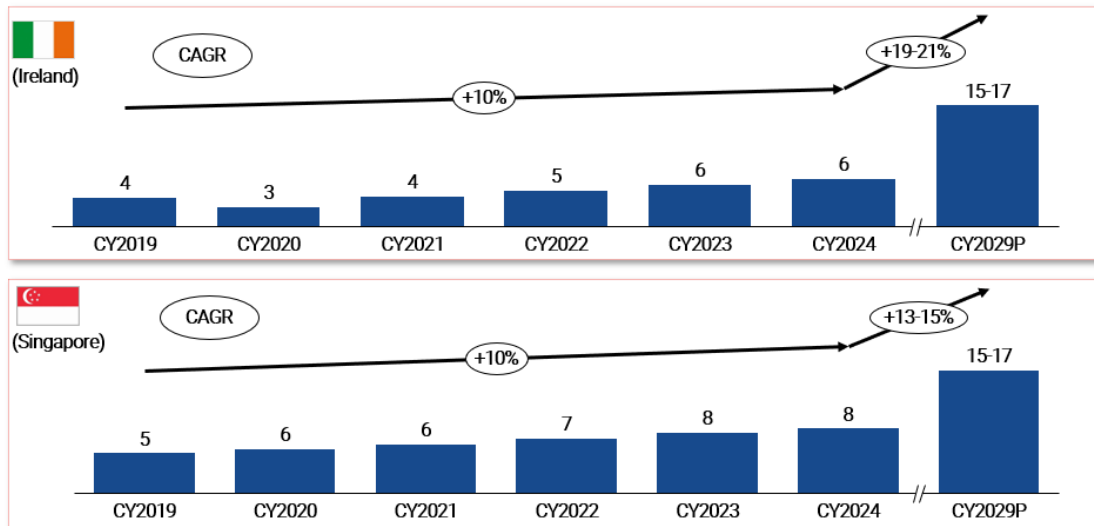


Source(s): Ministry of Education, United Arab Emirates, Federal Foreign Office, Auswärtiges Amt, Redseer Research and Analysis

Exhibit 34

Visas issued to Indian students – Ireland and Singapore

(# of students in '000s, Calendar Year 2019-Calendar Year 2024, Calendar Year 2029P)



Source(s): Higher Education Authority, Ireland, United Nations Educational Scientific and Cultural Organisation (UNESCO), Redseer Research and Analysis

In addition, countries such as Kyrgyzstan, Bangladesh, and Philippines, are considered as hubs for Indian students pursuing medical education and account for a sizeable chunk of the visas issued to Indian students. The demand for studying in these countries, is primarily driven by the intense competition for admission to Indian medical colleges. Secondly, these countries also provide Indian students with an opportunity to pursue medical education at a relatively lower cost compared to the private universities in India.

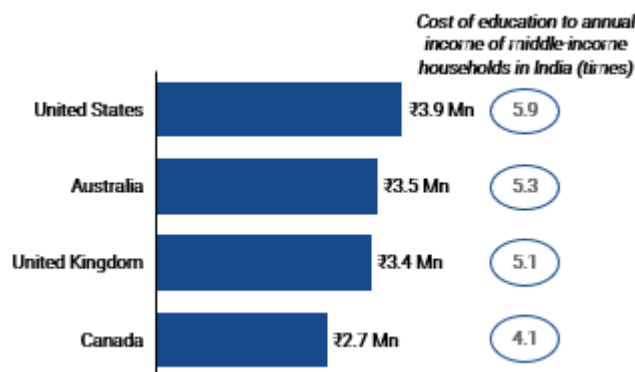
Rising education costs and income disparity emphasize the increasing importance of accessible financing options in the overseas education market

The cost of overseas education for a student can vary significantly based on factors such as country, course, university, and lifestyle choices, ranging between ₹2.2 million and ₹3.4 million annually among the four major markets.

For example, the average annual expense for an international student in the US is approximately ₹3.9 million. This amount is nearly 5.9 times the annual income of a middle-class household (average annual household income of a middle-class household is between ₹0.27 million and ₹1.07 million in CY2024) and 15 times that of a low-income household (average annual household income of a low-income household is less than ₹0.27 million in CY2024).

Exhibit 35

Annual cost of education – US, UK, Australia, Canada
(₹million, Calendar Year 2024)



Note: Cost of Education includes only post admission expenses (Tuition Cost, Living Expenses and Housing Cost)

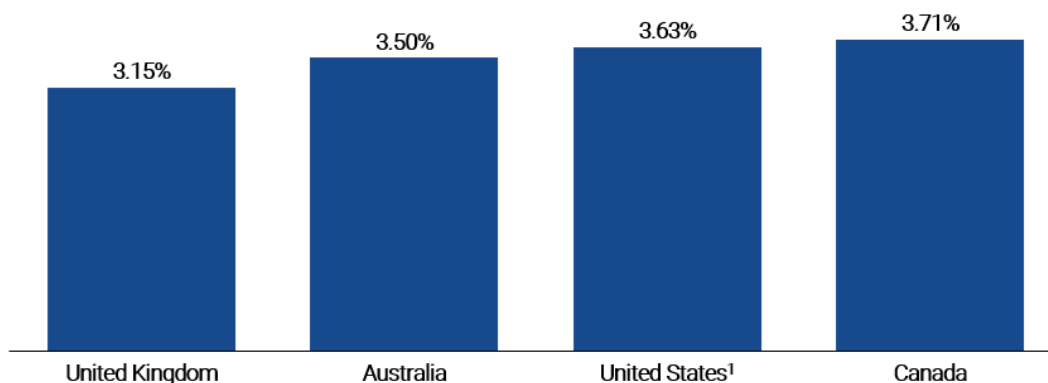
Source(s): Redseer Research and Analysis

In addition, the cost of education has been rising steadily, with inflation rates varying across different countries.

Education inflation at a local currency level, particularly in major overseas education markets such as the US (3.63%), the UK (3.15%), Australia (3.5%), and Canada (3.71%), further increases in effective terms when accounted for Indian Rupee depreciation against the US\$, adding an additional financial cost for students. In countries such as the US, the UK, Canada, and Australia, tuition fees and living expenses have increased at a pace higher than general inflation, further widening the gap between household income and education costs.

Exhibit 36

Education inflation at the local currency level
(%, Calendar Year 2018-Calendar Year 2024)



Note(s): 1. The period for the US is Calendar Year 2010 to Calendar Year 2023

Source(s): Reserve Bank of Australia, Office of National Statistics (UK), National Council Education Statistics (US), Redseer Research and Analysis

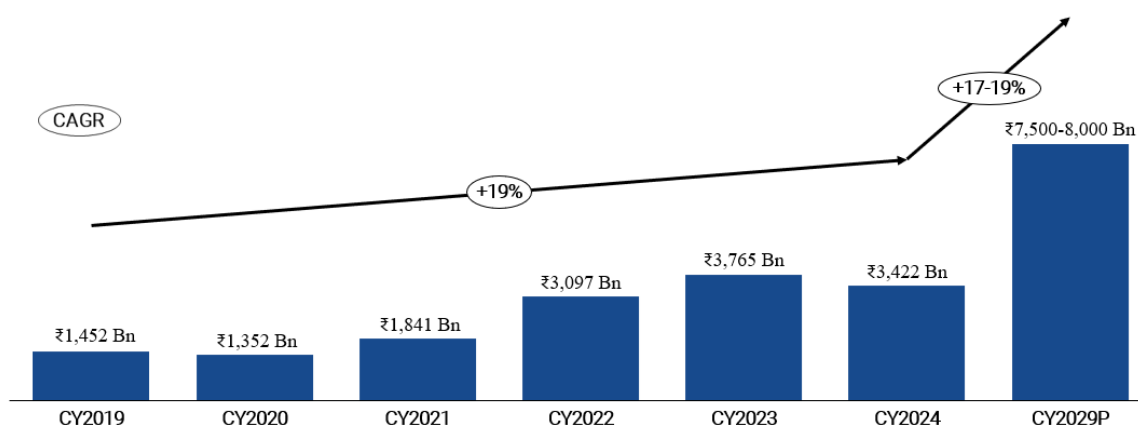
Given the disparity between the high and increasing cost of education and average income levels in India, financing plays a key role in enabling students to pursue higher education overseas. This includes financial solutions such as education loans, scholarships, and other forms of support to bridge this gap. These options allow students to access overseas education and manage the financial requirements over time. Additionally, availing education financing (instead of self-financing education) can result in tax benefits for students and their families.

The total addressable market for overseas education financing in India is ₹3,422 billion in Calendar Year 2024, with tuition fees accounting for the largest share

The above factors translate to a total addressable spend for financiers aggregating to ₹3,422 billion in Calendar Year 2024, of which only ₹358 billion was formally financed by banks and NBFCs. The TAM for overseas education financing has grown at a CAGR of 19% between Calendar Year 2019 and Calendar Year 2024 and projected to continue its healthy growth trajectory with a CAGR of 17-19% over the next 5 years.

Exhibit 37

Total Addressable Market (TAM) – Overseas Education
(₹billion, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)

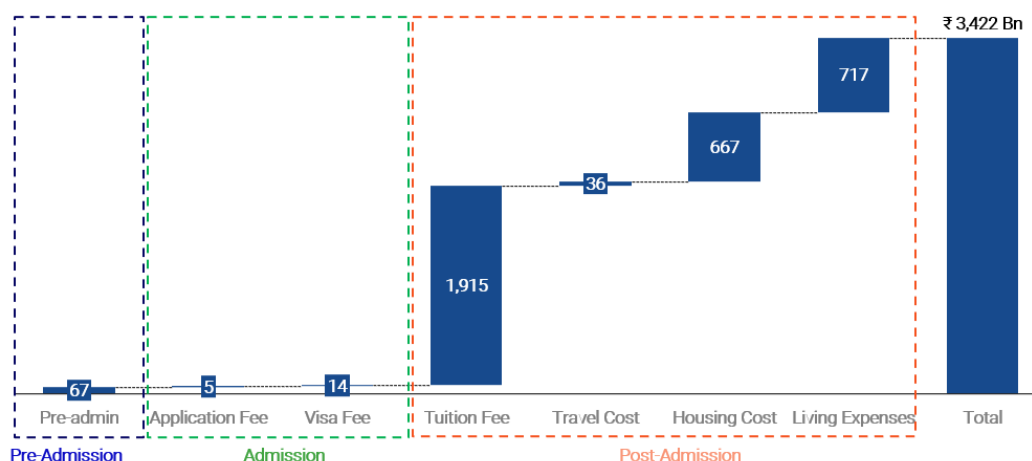


Source(s): Redseer Research and Analysis

This market opportunity includes the expenses incurred by a student during the entire duration of overseas education. The market can be split into pre-admission, admission and post-admission, as set out below:

Exhibit 38

Market Size Split by Admission Journey – Overall Market
(₹billion, Calendar Year 2024)



Source(s): Redseer Research and Analysis

- **Pre-admission expenses:** These expenses are incurred by a student prior to getting admitted into a college/university and account for 2% of the TAM. This category is projected to grow at a CAGR of 15-17% between Calendar Year 2024 and Calendar Year 2029. These expenses include:
 - Test prep expenses: Expenses incurred by an aspirant for test prep including coaching fee and study material costs.
 - Test fee expenses: The fee paid by an aspirant to take a standardized test, such as the GMAT. This also includes any additional fees for multiple attempts.
 - Admission counselling expenses: Expenses related to professional guidance and advisory services provided to aspirants for university or program admissions.
- **Admission expenses:** These expenses are incurred by a student during the application process and account for 1% of the TAM. This category is projected to grow at a CAGR of 17-19% between Calendar Year 2024 and Calendar Year 2029. This can be split into:
 - Application Fee: A mandatory fee that every aspirant must pay when applying to a university, typically paid by the aspirants after evaluating their test scores, profile, and meeting other eligibility criteria.
 - Visa Fee: A mandatory fee paid by students for the visa application process to study in the destination country.
- **Post admission expenses:** These expenses cover the costs incurred by a student during the years of study and account for 97% of the TAM. This category is projected to grow at a CAGR of 17-19% between Calendar Year 2024 and Calendar Year 2029. The post-admission expenses can be further broken down into the following key categories:
 - Travel cost: Expenses related to flight tickets and other travel-related costs, linked to the student's first travel to his/her education destination.
 - Tuition fee: This is the largest category within the post-admission expenses, accounting for approximately 56% of the overall market. In Calendar Year 2024, tuition fee expenses are estimated to be ₹1,915 billion, having grown at a 19% CAGR between Calendar Year 2018 and Calendar Year 2024.
 - This category is expected to reach ₹4,444 billion by Calendar Year 2029, implying a CAGR of 17-19% (between Calendar Year 2024 and Calendar Year 2029). Tuition fee expenses cover all college-related costs paid by the student, including tuition, course fees, books, materials, supplies, equipment fees, and other miscellaneous academic expenses, and excluding living expenses such as accommodation and food.

Exhibit 39. Average Annual Tuition Fees Per International Student – across countries

(₹million, Calendar Year 2019, Calendar Year 2024, Calendar Year 2029P)

Average Annual Tuition Fees Per Student (₹million)

Country	Calendar Year 2019	Calendar Year 2024	Calendar Year 2029P
Australia	1.4	1.9	2.3
Canada	1.2	1.5	1.8
UK	2.0	2.3	2.6
US	2.1	2.5	3.0
New Zealand	1.1	1.3	1.7
Ireland	1.5	1.6	1.8
Germany	0.2	0.2	0.3
Singapore	1.9	2.5	3.4
UAE	1.4	1.8	2.2
Rest of the World	1.0	1.3	1.7

Source(s): Redseer Research and Analysis

- Housing expenses – Housing expenses refer to the cost of accommodation, including rent for apartments or dormitories and any associated maintenance costs.
- Living expenses – Living expenses cover daily costs beyond housing, including utilities such as electricity, water, internet, transportation, food, groceries, personal items, entertainment, and healthcare.

Exhibit 40. Annual Cost of Education – across countries

(₹million, Calendar Year 2024)

Cost of Education (₹Mn)	
Country	Calendar Year 2024
Australia	3.5
Canada	2.7
UK	3.4
US	3.9
New Zealand	2.5
Ireland	3.2
Germany	1.6
Singapore	4.6
UAE	2.7
Rest of the World	1.6

Note: Cost of Education includes only post admission expenses (Tuition Cost, Living Expenses and Housing Cost)

Source(s): Redseer Research and Analysis

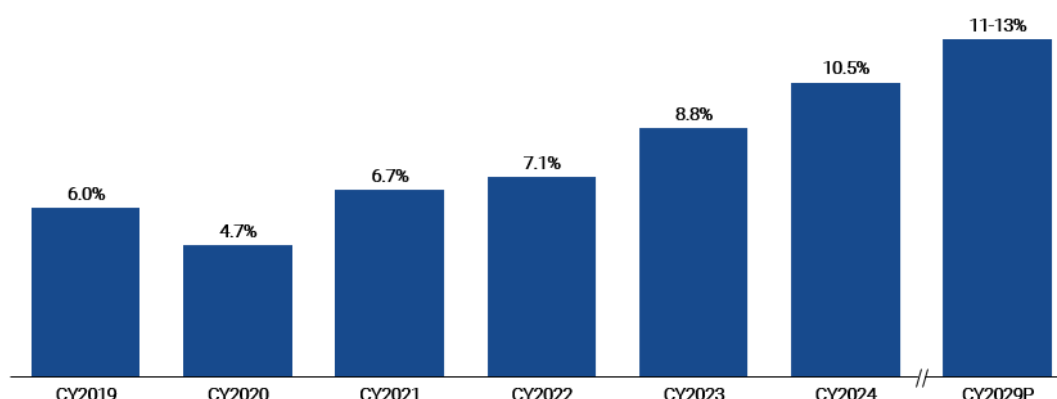
Overseas education loan in India is currently underpenetrated at approximately 10.5% in Calendar Year 2024 with the penetration expected to increase to 11-13% by Calendar Year 2029, driven by NBFC-led offerings

Education loans are increasingly being used to meet the growing demand for financing overseas education. With rising tuition fees and living costs, loans offer a crucial solution, enabling students to access the funds needed to pursue opportunities that would otherwise be financially unattainable.

Despite the growing demand for overseas education financing in India, education loan penetration in the sector is relatively low at 10.5% as of Calendar Year 2024 with disbursements for overseas education standing at ₹358 billion as of Calendar Year 2024. This limited penetration is partly due to the presence of only a few lending institutions with specialized models for education loans in the market, particularly within the NBFC space. As a result, a large portion of the low- and middle-income population remains underserved. This gap presents a substantial opportunity for lenders to expand their presence and meet the financing needs of these sections of the population.

Exhibit 41

Finance Penetration¹ – Overseas Education
(%, Calendar Year 2019 – Calendar year 2024, Calendar Year 2029P)



Note(s): 1. Calculated as the overseas education loan market size divided by the TAM for overseas education

Source(s): Equifax, Redseer Research and Analysis

Going ahead, the financing penetration in the overseas education sector is projected to reach 11-13% by Calendar Year 2029, driven by the following drivers:

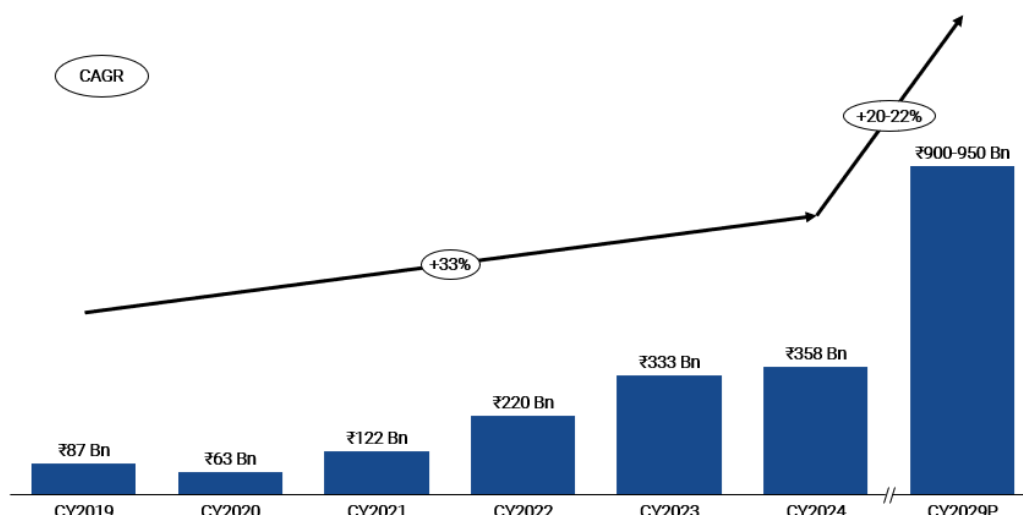
- **Availability of Credit:** Banks and NBFCs are increasingly providing education loans for higher amounts without collateral. This is expanding access to funding, particularly for students planning to study overseas, addressing a critical gap in the market. This trend is expected to sustain in the future.
- **Increasing Awareness Among Students:** Efforts from banks, NBFCs, counselors, and aggregators, along with government initiatives, are expected to continue raising awareness about education loan options. As students become more informed regarding the availability of financial products, the demand for education loans is expected to grow, leading to greater market penetration.
- **Financial Inclusion:** Increased internet penetration and government initiatives for financial inclusion, such as 500 million bank accounts and 60,000 bank branches, are expected to improve access to education loans. Digital banking platforms allow students to apply for, track, and manage loans online, thus streamlining the process.
- **Introduction of Innovative Products:** Lenders are increasingly introducing education loan products with flexible repayment options, such as minimal EMIs or interest-only payments during study periods. They are likely to further expand and sharpen such offerings, as they look to target the underserved sections of the population.

This increase in penetration implies that disbursements towards overseas education loans are expected to grow at 20-22% CAGR over the next 5 years (Calendar Year 2024 to Calendar Year 2029)

Exhibit 42

Disbursements – Overseas Education loans

(₹billion, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)



Note(s): The overseas education loan disbursements are calculated by aggregating overseas loan disbursements from NBFCs, Banks, and the Rest of the Industry as follows: 1. For NBFCs, 95% of loans between ₹1.5-2.5 million average ticket size and 100% of loans greater than ₹2.5 million ticket size are considered as overseas loans, with the remaining categorized as domestic loans; 2. For Banks and the Rest of the industry, 85% of loans between ₹1.5-2.5 million ticket size and 90% of loans above ₹2.5 million ticket size are considered overseas loans, with the remaining classified as domestic loans.

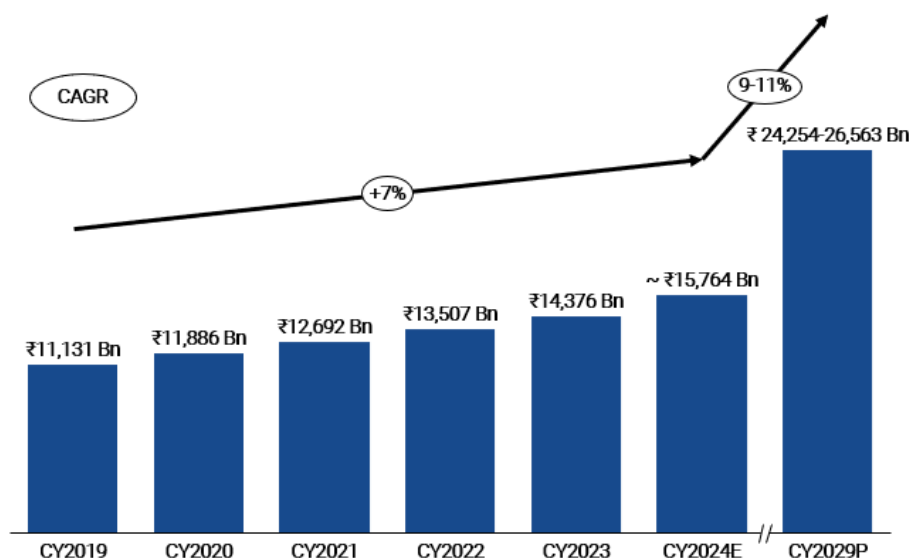
Source(s): Equifax, Redseer Research and Analysis

B. Domestic education market in India is estimated to be sized at ₹15,764 billion in Calendar Year 2024 and projected to grow at a CAGR of 9-11% by Calendar Year 2029.

India's domestic education market, sized at ₹15,764 billion in Calendar Year 2024, is on a strong growth trajectory. It is projected to expand at a CAGR of 9-11%, reaching ₹24,254-26,563 billion by Calendar Year 2029.

Exhibit 43

Overall Domestic Education Consumption Market
(₹billion, Calendar Year 2019 – Calendar Year 2024, Calendar Year 2029P)



Source(s): Redseer Research and Analysis

This growth is being driven by three key factors: government initiatives, demographic factors, and supply-side evolution. Government spending on education rose from 3.8% of GDP in 2013 to 4.1% in 2022, compared to 5.4% in the US (Calendar Year 2021) and 5% in the UK (Calendar Year 2022). Initiatives such as the National Education Policy ("NEP") 2020, tax benefits on education loans, and investments in digital learning platforms such as Study Webs of Active- Learning for Young Aspiring Minds ("SWAYAM") and National Programme on

Technology Enhanced Learning (“NPTEL”), are also contributing to this growth.

The country’s large and young population, rising enrolment rates, and increasing private expenditure on education are driving the demand for education. Private education expenditure grew at a CAGR of 11% since Financial Year 2018, reaching ₹7.39 trillion in Financial Year 2023. The supply side is also expanding, with the number of higher education institutions increasing from 44,690 in Financial Year 2011 to over 58,643 in Financial Year 2022 (according to AISHE), offering increased access to education, with greater focus on vocational and tech fields.

Together, these factors are setting the stage for a more inclusive, accessible, and high-quality education system that caters to India’s young and growing population.

Higher education drives approximately 36% of the market in Calendar Year 2024, with a strong need for financing

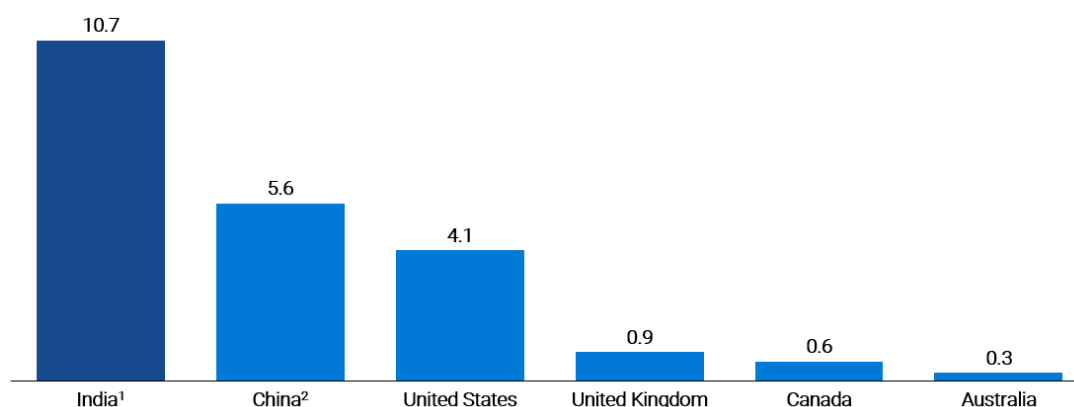
The Domestic education market in India can be broadly classified into (i) K-12 education, (ii) higher education (including UG, PG and vocational programs), (iii) test preparation and (iv) others which include pre-K (early childhood education), K-12 supplemental learning, and online upskilling.

As of Calendar Year 2024, higher education, accounts for approximately 36% of the domestic education market in India (K-12 education being the largest with approximately 42% market share). By Calendar Year 2021, enrolments in higher education had reached 43.3 million. However, India’s GER in higher education remains significantly lower at 33% in the Calendar Year 2023, compared to other countries, such as the US (79%) and the UK (80%) in the Calendar Year 2022. Recognizing this disparity, the Government of India has set a target to increase the gross enrolment ratio in higher education to 50% by 2035, as outlined in the NEP 2020.

India also had the highest number of higher education graduates, approximately 10.7 million in Financial Year 2022, compared to other countries such as the China² (5.6 million), US (4.1 million), the UK (0.9 million), Canada (0.6 million), and Australia (0.3 million) as of Calendar Year 2022.

Exhibit 44

Overall Higher education graduates – India, China, US, UK, Canada and Australia (million, Calendar Year 2022 (unless specified in the notes))



Note(s): 1. Data for India is for Financial Year 2022, 2. Data for China excludes Vocational Undergraduate, Undergraduate in Adult HEIs, Web-based Undergraduates.

Source(s): All India Survey on Higher education (“AISHE”) 2021-22, Ministry of education (India), National center for education statistics, US Department of Education (the US), Higher Education Statistics Agency (the UK), Statistics Canada (Canada), Australian Government (Australia).

As the domestic education market in India continues to grow, there is an increasing need for education financing, primarily within higher education. Rising tuition fees, particularly for UG and PG programs, is becoming a significant financial burden for many families, especially for private institutions. While government initiatives and an expanding supply of institutions contribute to greater access, the cost of high-quality education remains a barrier for many students. Financing solutions such as education loans, scholarships, and other financial products are essential to bridge this gap and ensure that students from diverse socio-economic backgrounds can access higher education.

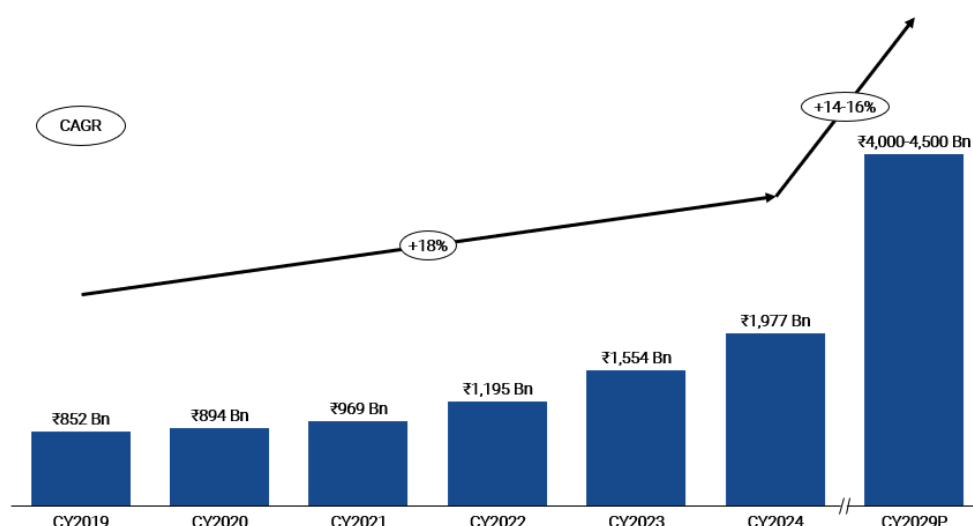
C. India's Education Loan Market expected to grow at a CAGR of 14- 16% from Calendar Year 2024 to Calendar Year 2029 reaching ₹4,000-4,500 billion.

Driven by the need for financing in India's education market, education loans have become a vital component of the financial ecosystem in India, catering to an increasing demand for higher education across both overseas and domestic categories.

The overall education loan market in India reached approximately ₹1,977 billion as of Calendar Year 2024, having increased from approximately ₹852 billion in Calendar Year 2019, reflecting a CAGR of 18%. The outstanding loan market is expected to reach ₹4,000-4,500 billion by Calendar Year 2029.

Exhibit 45

Overall Outstanding Education loans - NBFCs, Banks and Rest of the Industry
(₹billion, Calendar Year 2019-Calendar Year 2024, Calendar Year 2029P)

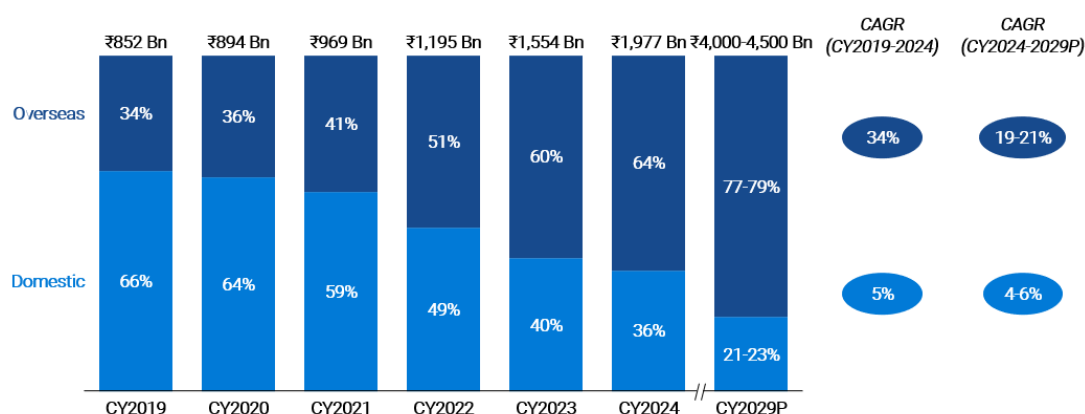


Source(s): Equifax, Redseer Research and Analysis

This market growth is expected to be driven by factors similar to those contributing to the disbursement growth mentioned earlier. Further, within the education loan market, the overseas market has been experiencing significant growth and has reached ₹1,266 billion (64% share) in Calendar Year 2024, with the domestic education market at ₹711 billion during the same period. By Calendar Year 2029, the overseas education loan market is projected to contribute 77-79% of the total market share.

Exhibit 46

Outstanding Education loan – Overseas vs Domestic (NBFCs, Banks, and Rest of the Industry)
(%, Calendar Year 2019-Calendar Year 2024, Calendar Year 2029P)



Note(s): The outstanding education loan market size is calculated by aggregating outstanding loans from NBFCs, Banks, and the Rest of the Industry as follows: 1. For NBFCs, 95% of loans between ₹1.5-2.5 million average ticket size and 100% of loans greater than ₹2.5 million ticket size are considered as overseas loans, with the remaining categorized as domestic loans; 2. For Banks and the Rest of the industry, 85% of loans between ₹1.5-2.5 million ticket size and 90% of loans above ₹2.5 million ticket size are considered overseas loans, with the remaining

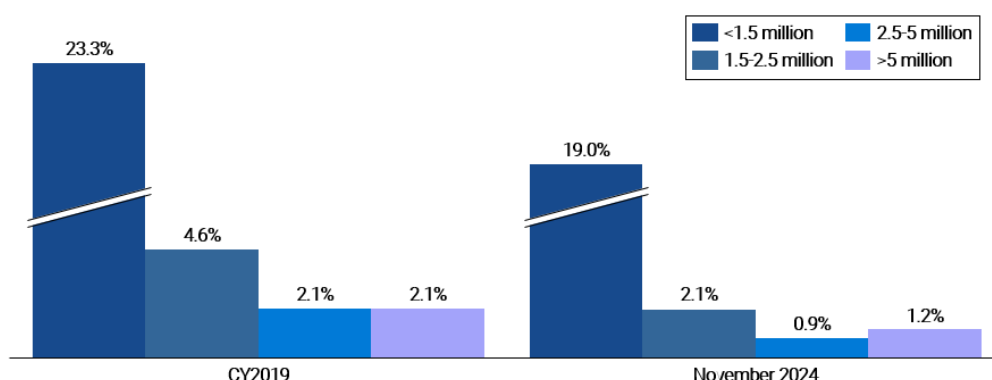
classified as domestic loans.

Source(s): Equifax, Redseer Research and Analysis

In addition to the rapid growth, overseas education loans have also demonstrated better asset quality than domestic loans. This is driven by factors such as global recognition of foreign qualifications and higher repayment capacity of students pursuing education overseas (owing to their increased likelihood of securing well-paying jobs post-graduation). For November 2024, the GNPA for loans with an average ticket size of ₹1.5–2.5 million stood at 2.1%, while it was 0.9% for ₹2.5–5 million and 1.2% for loans exceeding ₹5 million. These figures were significantly better compared to the 19% GNPA observed for loans with an average ticket size below ₹1.5 million during the same period.

Exhibit 47

GNPA – Education loans by ticket size
(%, Calendar Year 2019, November 2024)



Source(s): Equifax

NBFCs' Right to Win in India's Education Loan Market

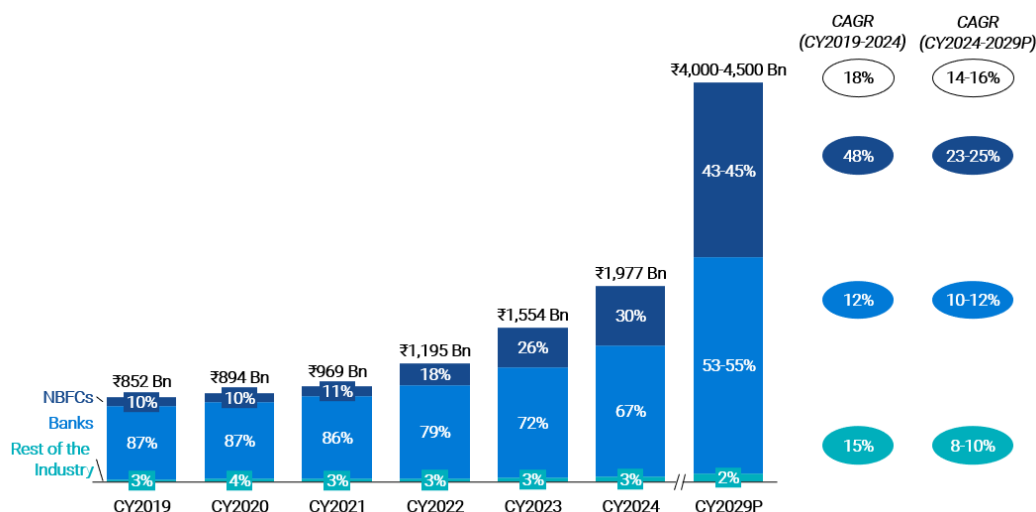
Banks have traditionally dominated the education loan market in India, but NBFCs are rapidly gaining traction, particularly in the overseas loan sector. This is driven by their strong distribution network, customized products/offerings, and their ability to refine and offer specialised underwriting models, among other factors. Driven by the same, NBFCs' contribution to education loans in India has increased from 10% in Calendar Year 2019 to 30% in Calendar Year 2024, and at this pace, they are expected to contribute 43-45% of the Indian education loan market by Calendar Year 2029. Given the evolving market structure, education-focused monoline NBFCs have a competitive edge due to their sharper focus, deeper market insights, and stronger presence within the education ecosystem.

NBFCs are outpacing banks in education loans.

In Calendar Year 2021, banks dominated the Indian education loan market with approximately 86% of the outstanding loans. NBFCs' share in the overall education loan market has increased from 11% as of Calendar Year 2021 to 30% as of Calendar Year 2024. This has been primarily due to NBFCs' offering customised loan products, faster processing and lower turnaround times, specialized underwriting, personalised customer service, innovative financing options, value-added services and differentiated distribution approach, among other factors. This share is projected to rise further to 43-45% by Calendar Year 2029.

Exhibit 48

Outstanding Education loans – NBFCs, Banks, and Rest of the Industry¹
(₹ billion, Calendar Year 2019- Calendar Year 2024, Calendar Year 2029P)



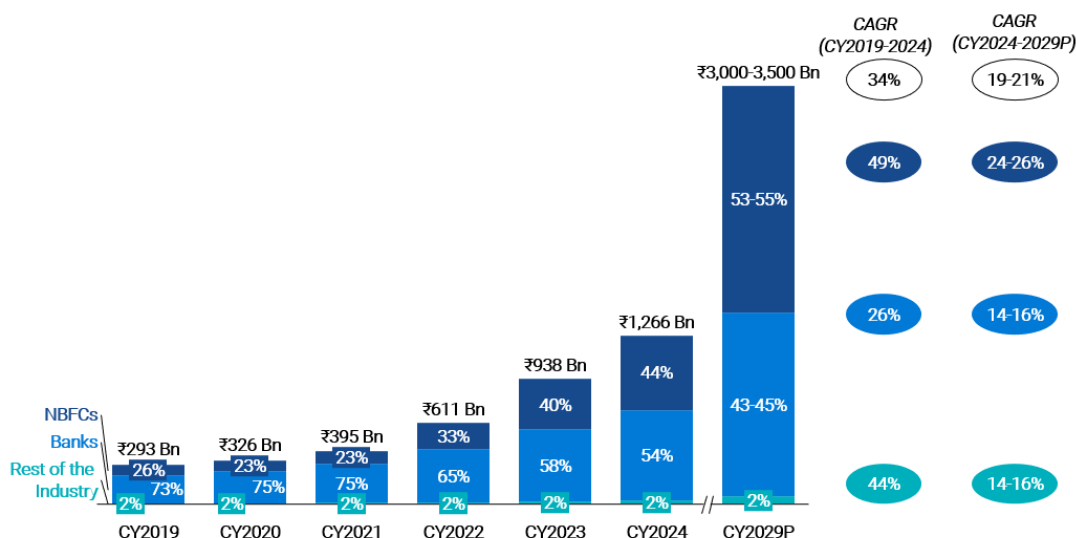
Note(s): 1. Rest of the Industry includes regional rural banks, small finance banks providing education loans

Source(s): Equifax, Redseer Research and Analysis

Overseas education loans represent the fastest-growing sector within the education loan market, projected to reach approximately ₹3,000 to 3,500 billion by Calendar Year 2029, with NBFCs accounting for approximately 53 to 55% of the market share. Within this sector, NBFCs are expected to achieve a CAGR of 24-26% between Calendar Year 2024 and Calendar Year 2029.

Exhibit 49

Outstanding Overseas Education loans – NBFCs, Banks and Rest of the Industry¹
(₹ billion, Calendar Year 2019- Calendar Year 2024, Calendar Year 2029P)



Note(s): 1. Rest of the Industry includes regional rural banks and small finance banks providing education loans, 2. The overseas education loan market size is calculated by aggregating overseas loans from NBFCs, Banks, and Rest of the Industry as follows: 1. For NBFCs, 95% of loans between ₹1.5-2.5 million average ticket size and 100% of loans greater than ₹2.5 million ticket size are considered as overseas loans, with the remaining categorized as domestic loans, 2. For Banks and the Rest of the industry, 85% of loans between ₹1.5-2.5 million ticket size and 90% of loans above ₹2.5 million ticket size are considered overseas loans, with the remaining classified as domestic loans

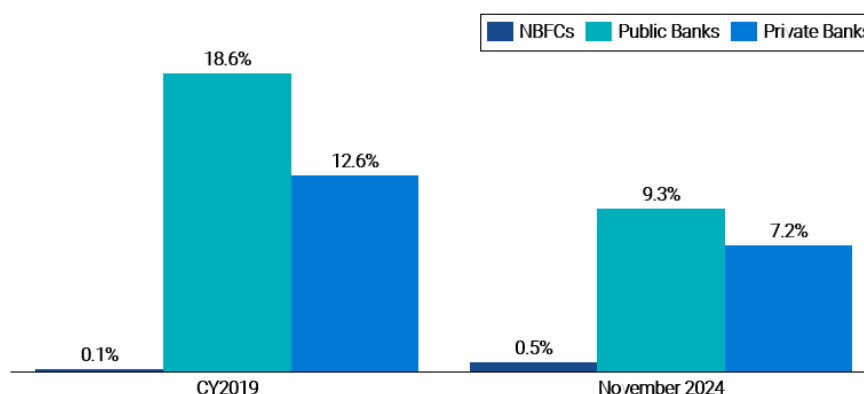
Source(s): Equifax, Redseer Research and Analysis

NBFCs cater to a wide range of borrowers, including those without substantial credit histories. They also maintain low non-performing asset (NPA) ratios, with gross NPA (“GNPA”) reported at approximately 0.5%, compared to 7.2% for private banks and 9.3% for public banks for November 2024. This strong performance is attributed to

the rigorous underwriting models employed by NBFCs. Their robust risk assessment processes include thorough evaluations of academic credentials (such as academic scores, institution rankings, and course reputation), co-borrower profiles (credit history, income stability, and repayment capacity) and potential employment outcomes (employability trends, job placement rates, and expected earning potential), ensuring loans are granted prudently.

Exhibit 50

Education loans GNPA – NBFCs vs Private Banks vs Public Banks
(%, Calendar Year 2019, November 2024)

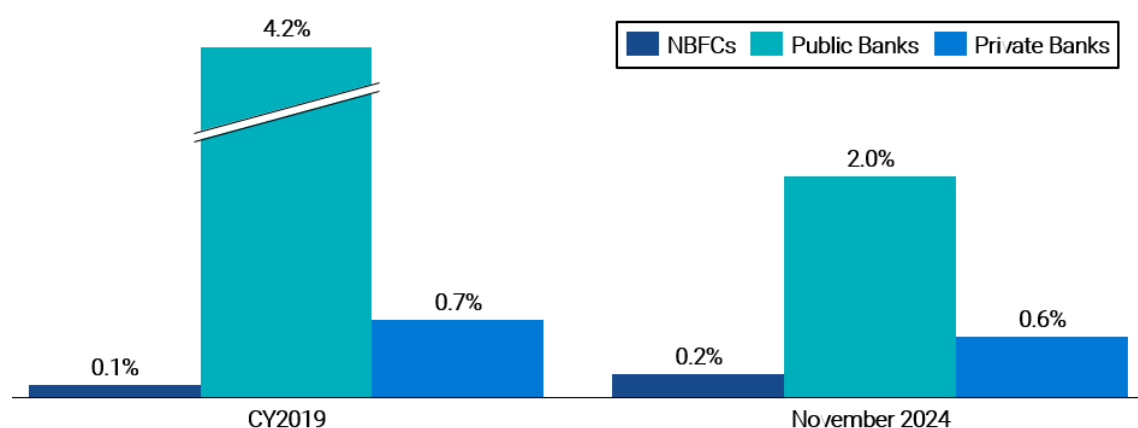


Source(s): Equifax

Similarly, the asset quality (GNPA) of NBFCs for overseas education loans also remains low at 0.2% in Calendar Year 2024 compared to 2.0% of public banks and 0.6% of private banks. Asset quality for overseas education loans is better than domestic loans (GNPA at 5.5% for NBFCs for November 2024), due to higher earning potential of borrowers from global job markets. In the domestic market, borrowers face challenges such as lower post-graduation earnings and limited job opportunities, affecting repayment rates.

Exhibit 51

Overseas Education loans GNPA – NBFCs vs Private Banks vs Public Banks
(%, Calendar Year 2019, November 2024)



Note(s): The GNPA for the overseas education loan market is calculated by aggregating the GNPA of overseas loans from NBFCs, Banks and the Rest of the Industry as follows: 1. For NBFCs, 95% of loans between ₹1.5-2.5 million average ticket size and 100% of loans greater than ₹2.5 million ticket size are considered as overseas loans, with the remaining categorized as domestic loans, 2. For Banks and the Rest of the industry, 85% of loans between ₹1.5-2.5 million ticket size and 90% of loans above ₹2.5 million ticket size are considered overseas loans, with the rest classified as domestic loans.

Source(s): Equifax, Redseer Research and Analysis

The strong performance of NBFCs in the education loan sector can be attributed to several factors:

NBFCs		Banks
Enabler: Strong data repository	Comprehensive database on academics, employment, and co-borrower profiles	Rely more on traditional credit metrics such as credit history of the borrower
Outcome: Wider coverage	Wider coverage of courses and colleges	Specific courses and colleges

	NBFCs	Banks
Outcome: Flexible lending criteria	Flexible lending criteria based on employment potential, academic performance and co-borrower income.	Fixed lending criteria
Outcome: Flexible repayment options	Offer customized repayment terms, such as longer grace periods and lower initial instalments	Fixed repayment options with limited customizations available
Enabler: Efficient Operations	Enhance operational efficiency and reduce processing time through advanced digitization and automation	Face longer processing times and slower approvals due to traditional systems and compliance checks
Outcome: Lower turnaround time (TAT)	Disburse unsecured loans within 6-7 days and secured loans in 20-25 days	Disburse unsecured loans and secured loans within 20-30 days and 30-40 days respectively
Outcome: Superior customer service	Offer flexibility and personalization through consultative interactions, providing borrowers with tailored advice throughout the loan process.	Private banks offer better customer service compared to public banks but have lengthy approval processes.
Outcome: Better alignment with young customers	Completely online, paperless loan application process	Highly digitized process with some offline touchpoints involved
Enabler: Strong distributor and counsellor network	Strong relationships with distributors and counsellors	High reliance on branches thus, lower connects with distributors and counsellors
Outcome: Innovative product development	Tailored loans covering all expenses	Strict regulations and standardized products with limited expenses coverage
Outcome: Focused targeting approach	Leverage distributors and counsellors for targeted digital marketing and use a branch-lite model to reach niche markets and adapt to trends	With branch-heavy model and traditional marketing strategies, struggle to adopt targeted approaches or adapt to local trends, limiting their reach

Thus, to summarize NBFCs success in this market is driven by three key levers:

- **Specialised underwriting model:** NBFCs' usage of comprehensive data, including academic records, employment details, and co-borrower profiles, to assess loan applicants, allows them to adopt flexible lending criteria, whereas banks mainly rely on traditional credit metrics. This also allows NBFCs to provide loans to students who may not have an established credit history. NBFCs offer financing for a wider variety of courses and institutions, compared to banks, which typically focus on a narrower set of approved courses and colleges. By leveraging a robust data repository, NBFCs have developed superior underwriting models and created loan products that are better aligned with the specific needs of students.
- **Efficient operations with a scalable business model:** NBFCs enhance operational efficiency by leveraging digitization and automation to reduce processing times. Unsecured loans are typically disbursed within 6-7 days, and secured loans within 20-25 days, significantly faster than banks, which often take longer due to traditional and legacy systems. This speed is critical for students facing time-sensitive admission and scholarship deadlines. With a fully online, paperless loan application process, NBFCs also align well with younger, digitally-savvy borrowers. These streamlined processes not only accelerate loan approvals but also improve tracking and repayment management. Building on these operational strengths, NBFCs also have an advantage over Fintechs as NBFCs combine a scalable business model with a robust regulatory framework. NBFCs have an evolved framework in place to gain access to capital and thus, can solve for capital requirements to scale their operations. Supported by a strong regulatory framework, NBFCs ensure disciplined risk management while achieving deeper market penetration and servicing a wider range of customer profiles. Their hybrid model, blending technology with human touchpoints, helps build trust and enables more accurate credit assessments.
- **Robust distribution network:** NBFCs build networks with both organized distributors (such as banks and educational consultancies) and unorganized distributors (such as local agents and regional facilitators). While banks rely primarily on branch networks, which limits their ability to reach underserved areas, NBFCs use their distribution channels to access remote regions more efficiently. A balanced distribution network helps NBFCs to respond to localized trends such as shifts in student preferences or regional course demands. NBFCs also use their distributor and counsellor relationships to conduct targeted digital marketing campaigns. In contrast, banks, with their branch-heavy models, have less flexibility to adapt quickly to niche markets or specific trends, which limits their ability to reach younger or niche customer groups.

Education-focused monoline NBFCs are expected to have sustained growth in the education loans market.

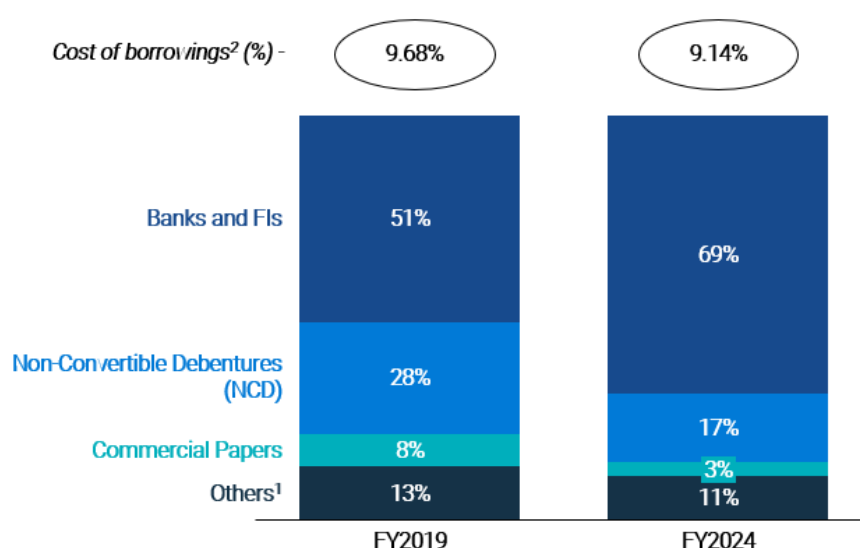
Education-focused monoline NBFCs are well-positioned to sustain their strong growth trajectory in the education loan market, due to their nuanced focus on the fast-evolving student and university landscape, particularly in the overseas education market. Their strong distribution network and branch-lite model enable them to stay closely connected with the local market, allowing them to adapt quickly to on-ground market conditions. This network, combined with their data-driven approach, enables them to track trends and respond swiftly to changes in geo-political environments, immigration regimes, student demand, course offerings and employment outcomes. Their

ability to pivot quickly to new markets, even across countries, further strengthens their competitive edge in the sector.

Though banks still contribute to the majority of the borrowings mix for leading education-focused NBFCs, borrowings mix has been diversified across funding sources over time. In Financial Year 2024, 69% of leading education focused NBFCs' funding came from banks, complemented by NCDs, and other debt instruments. However, these NBFCs have potential to derisk the dependency on a single source, in-line with the recent RBI directives. The NBFCs are increasingly seeking alternative funding sources such as NCDs and commercial papers. Additionally, these NBFCs are looking to securitize their assets through initiatives such as direct assignment and co-lending.

Exhibit 52

*Borrowing mix and cost of borrowings – Leading Education NBFCs
(%, Financial Year 2019, Financial Year 2024)*



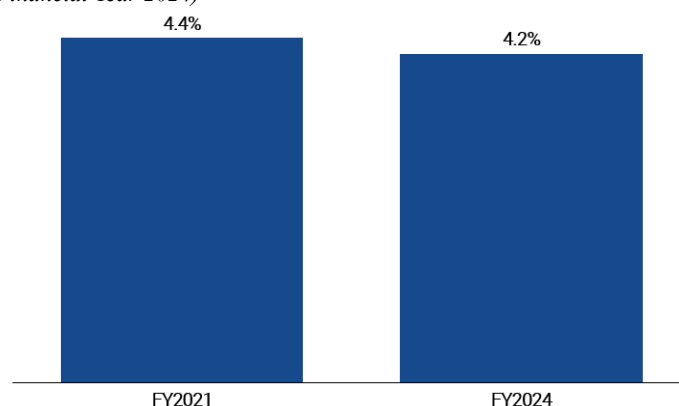
Note(s): 1. Others includes external commercial borrowings, subordinated liabilities, cash credit from banks, securitization liabilities, inter-corporate deposits, overdrafts from banks and other borrowings, 2. Cost of borrowings is calculated as the finance cost divided by average borrowings, 3. Players considered are Avanse and Credila

Source(s): Company reports, Redseer Research and Analysis

Fuelled by the above factors, these NBFCs have also maintained a stable adjusted net interest margin (NIM), driven by a balance of loan pricing and operational efficiency. Over the past 3 years, they have consistently achieved an adjusted NIM of approximately 4%, reflecting strong borrower relationships and a focus on cost management.

Exhibit 53

*Adjusted Net Interest Margin¹ – Leading Education NBFCs
(%, Financial Year 2021, Financial Year 2024)*



Note(s): 1. Calculated as (Total interest income + net gain(Net gain/(loss) on financial instruments at fair value through profit or loss on

Investments and derivatives) - finance cost)/ Average of Interest earning assets (summation of Net loans, cash and cash equivalents, Bank balances other than cash and cash equivalents above, Investments), 2. Players considered are Avanse and Credila

Source(s): Company reports, Redseer Research and Analysis

Threats & Challenges for Financiers in the Overseas Education Loan Market

The Overseas education loan market in India, in which Credila Financial Services Limited operates, may encounter several threats that could impede the growth trajectory and stability as outlined below:

- **Student Mobility Risks:** Visa restrictions and geopolitical tensions can limit the number of students pursuing education overseas, thus reducing the demand for overseas education loans.
- **Regulatory Risks:** Changes in immigration, post-study work policies, or tuition fee regulations in the home or host country can affect students' ability to repay loans.
- **Currency Risks:** Exchange rate fluctuations between the disbursed and repayment currencies can impact the value of repayments, adding financial risk.
- **Economic Risks:** Economic downturns in the destination country can reduce job opportunities for students, hindering their ability to repay loans.
- **Credit & Market Risks:** The dependence on students securing employment for repayment increases credit risks, while growing competition and shifting education trends can impact loan volumes.

Peer Comparison

For peer benchmarking, education-focused NBFCs in India are defined as those with more than 75% of their Assets Under Management (“AUM”) derived from student education loans, for both domestic and overseas markets, and an overall AUM exceeding ₹25 billion as of March 31, 2024. The education-focused NBFCs included in the peer set are Credila Financial Services Limited (“Credila”), Avanse Financial Services Limited (“Avanse”), and Auxilo Finserv Private Limited (“Auxilo”).

Certain other listed NBFCs which are not focused on education loans have been included as peer group references. These peers, though serving different customer segments, were selected based on their market leadership, comparable cost of borrowing, and broadly similar return and credit cost metrics. The other NBFCs in the peer group include Aavas Financiers (“Aavas”), Bajaj Finance, Bajaj Housing Finance (“Bajaj Housing”), Cholamandalam Investment and Finance Company (“CICF”), Five Star Business Finance (“Five Star”), and Home First Finance Company (“HFFC”).

AUM, Disbursements and Profit after Tax

Founded in 2006, Credila was India’s largest education-focused NBFC by Assets Under Management (“AUM”) as of March 31, 2024, and the longest serving in the sector based on its inception year, among education-focused NBFCs in India (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025). Credila is the largest education-focused NBFC in India in terms of Net Loans of ₹414,693.08 million as of March 31, 2025 and has the highest restated profit after tax of ₹9,855.47 million for the Financial Year 2025, it had the highest disbursements of ₹140,892.15 million for the Financial Year 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025). Credila was the first NBFC in India to specialize in education loans and achieve an AUM of ₹281,871.98 million, as of March 31, 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025).

Despite being more than twice the size of the second-largest education-focused NBFC in India (in terms of AUM), Credila was the fastest growing education-focused NBFC in India with a year-on-year growth of 84.26% in AUM between March 31, 2023, and March 31, 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025). Credila was the second fastest-growing education-focused NBFC in India, with a compounded annual growth rate (“CAGR”) of 80.83% in disbursements and a CAGR of 78.59% in AUM, each between the Financial Years 2022 to 2024 (assessment performed for Financial Year 2022-2024 given unavailability of peer data for Financial Year 2025). Additionally, Credila is the fastest-growing education-focused NBFC in India, with a CAGR of 64.96% in Net Loans between the Financial Years 2023 to 2025. Also, Credila is the second fastest growing education-focused NBFC in India with a year-on-year growth of 47.67% in Net Loans between Financial Years 2024 and 2025.

₹192,430 crore of education loans were outstanding in the market as of November 30, 2024 (data pertaining to outstanding education loans has been sourced from Equifax and excludes data for 720+ Days Past Due for November 2024 calculation), of which Credila’s AUM was ₹37,855 crore during the same period. This implies

that Credila held a market share of approximately 19.7% in the education loan market in India in terms of loans outstanding as of 30th November 2024, increasing from approximately 7% as of 31st March 2019.

Exhibit 54: Size of the companies (as of March 31st of the respective financial year in terms of reported AUM (unless specified in notes)

Players	AUM (₹ million)		AUM Growth (%)		
	Financial Year 2024	Financial Year 2025	Financial Year 2024 to 2025 (YoY%)	Financial Year 2023 to 2024 (YoY%)	Financial Year 2023 to 2025 (CAGR)
Education Focused NBFCs					
Credila	281,871.98	418,104.49	48.33%	84.26%	65.32%
Avanse	133,030.47	NA	NA	53.86%	NA
Auxilo	28,784.60	NA	NA	70.27%	NA
Other NBFCs					
Aavas	173,126.47	204,201.76	17.95%	22.21%	20.06%
Bajaj Finance ¹	3,306,150.00	4,166,610.00	26.03%	33.65%	29.78%
Bajaj Housing	913,704.00	1,146,840.00	25.52%	31.98%	28.71%
CIFC ¹	1,537,180.00	1,847,460.00	20.19%	36.30%	27.99%
Five Star	96,406.00	118,770.00	23.20%	39.42%	31.06%
HFFC	96,978.00	127,127.17	31.09%	34.73%	32.90%

Note(s): 1. Consolidated figures have been considered, 2. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 3. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 4. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Credila is the fastest growing education-focused NBFC in India, achieving year-on-year growth of 70.32% in revenue from operations between the Financial Year 2024 and Financial Year 2025, 84.26% in AUM between March 31st, 2023, and March 31st, 2024, and 76.30% in disbursements between the Financial Years 2023 and 2024, among education-focused NBFCs in India (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025).

Exhibit 55: Comparison basis reported Disbursements (for the respective Financial Year)

Players	Disbursements (₹ Mn)		Disbursements Growth (%)		
	Financial Year 2024	Financial Year 2025	Financial Year 2024 to 2025 (YoY%)	Financial Year 2023 to 2024 (YoY%)	Financial Year 2023 to 2025 (CAGR)
Education Focused NBFCs					
Credila	140,892.15	153,088.59	8.66%	76.30%	38.40%
Avanse	63,350.03	NA	NA	3.15%	NA
Auxilo	13,434.70	NA	NA	32.21%	NA
Other NBFCs					
Aavas	55,822.00	61,230.06	9.70%	11.08%	10.39%
Bajaj Finance ¹	NA	NA	NA	NA	NA
Bajaj Housing	446,562.40	508,430.00	13.85%	30.07%	21.69%
CIFC ¹	887,250.00	1,008,690.00	13.69%	33.36%	23.13%
Five Star	48,814.00	49,697.00	1.81%	43.93%	21.05%
HFFC	39,634.00	48,052.60	21.24%	31.54%	26.29%

Note(s): 1. Consolidated figures have been considered, 2. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 3. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 4. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Credila reported the highest profit after tax among education-focused NBFCs, with ₹5,288.39 million in the Financial Year 2024 and ₹9,899.58 million in the Financial Year 2025, followed by Avanse.

Exhibit 56: Comparison basis Reported Restated Net Profit After Tax/Profit After Tax (for the respective Financial Year)

Players	Restated Net Profit After Tax / Profit After Tax (₹ Mn)	
	Financial Year 2024	Financial Year 2025
Education Focused NBFCs		
Credila ⁽¹⁾	5,288.39	9,899.58
Avanse ⁽²⁾	3,424.03	5,021.23

Auxilo	692.19	1,119.40
Other NBFCs		
Aavas	4,906.94 ⁽²⁾	5,741.08
Bajaj Finance ⁽²⁾	144,511.70	167,794.80
Bajaj Housing	17,312.20	21,629.00
CIFC ⁽²⁾	34,200.50	42,627.00
Five Star	8,359.00	10,724.90
HFFC	3,057.20	3,820.68

Note(s):

1. Restated net profit after tax has been considered, 2. Consolidated figures have been considered, 3. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 4. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 5. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Branch distribution network

Credila had the largest branch distribution network among education-focused NBFCs, with 26 branches as of March 31st, 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025). Credila had the second-highest number of employees among education-focused NBFCs, with a headcount of 547³ employees as of March 31, 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025). Credila had the largest distribution network (comprising DSAs, aggregators, counsellors, and financial institutions) among education-focused NBFCs in India with a network of 1,095 distribution agents as of March 31, 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025).

Exhibit 57: Distribution footprint of Peers (Reported as of March 31st of the respective Financial Year)

Players	No. of Universities (#)		No. of countries covered (#)		Employees (#)		Branches (#)	
	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025
Education Focused NBFCs								
Credila	4,682	5,290	63	64	547 ³	743 ³	26	32
Avanse	1,585 ²	NA	49 ⁹	NA	672 ³	NA	19 ⁶	NA
Auxilo	NA	NA	NA	NA	349 ⁵	NA	8	NA
Other NBFCs								
Aavas	NA	NA	NA	NA	8,545 ⁴	NA	367	397
Bajaj Finance ¹	NA	NA	NA	NA	53,782 ⁴	64,092 ⁴	4,145 ⁷	4,263 ⁷
Bajaj Housing	NA	NA	NA	NA	2,372 ⁴	1,977 ¹⁰	215	216
CIFC ¹	NA	NA	NA	NA	54,098 ⁸	64,941 ⁸	1,387	1,613
Five Star	NA	NA	NA	NA	9,327 ⁵	11,934 ⁵	520	748
HFFC	NA	NA	NA	NA	1,249 ⁴	1,634 ⁴	133	155

Note(s): 1. Consolidated figures has been considered, 2. Refers to number of international universities as disclosed in the company filings, 3. Refers to on-roll employees as disclosed in company filings, 4. Refers to permanent and other than permanent employees as disclosed in company filings, 5. Refers to employees as disclosed in company filings, 6. Includes branches and sales representative offices as disclosed in company filings, 7. Refers to locations (includes branches and corporate offices) as disclosed in company filings, 8. Refers to on-roll and off-roll employees as disclosed in company filings, 9. Refers to Cumulative number of countries in student loans – international disbursed as disclosed in the company filings, 10. Refers to Employee headcount as disclosed in the company filings, 11. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 12. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 13. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Cost of borrowings and other financial ratios

Credila has an average cost of borrowing³ of 8.92% for the year ending March 31, 2025, which is the lowest among education-focused NBFCs in India. Additionally, it recorded the lowest operating expense to average total assets⁵ at 0.90% for the year ending March 31, 2025 and the second-lowest credit cost to average total assets⁶ at 0.37% for the year ending March 31, 2025, among the education-focused NBFCs in India.

Exhibit 58: Financial Ratios (for the respective Financial Year)

Players	Yield on advances (%) ²		Average Cost of Borrowing (%) ³		Adjusted NIM (%) ⁴		Operating Expense to Average Total Assets (%) ⁵		Credit Cost to Average Total Assets (%) ⁶	
	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025
Education Focused NBFCs										
Credila	11.70%	11.98%	8.72%	8.92%	3.86%	4.04%	1.17%	0.90%	0.21%	0.37%
Avanse	13.35%	13.25%	10.10%	9.89%	4.90%	4.93%	2.61%	2.39%	0.66%	0.39%
Auxilo	13.76%	13.04%	10.26%	9.79%	5.06%	NA	2.73%	2.40%	0.26%	0.31%
Other NBFCs										
Aavas ⁷	12.51%	NA	7.47%	7.69%	6.37%	6.07%	3.58%	3.32%	0.16%	0.15%
Bajaj Finance ¹	16.40%	NA	7.34%	7.57%	9.38%	8.97%	3.19%	2.93%	1.42%	1.89%
Bajaj Housing	10.02%	NA	7.64%	7.91%	3.63%	3.46%	0.94%	0.80%	0.08%	0.09%
CIFC ¹	13.77%	NA	7.96%	8.07%	6.46%	6.53%	3.16%	3.02%	0.97%	1.39%
Five Star	25.06%	25.20%	8.87%	9.38%	16.91%	16.83%	5.45%	5.20%	0.54%	0.68%
HFFC	13.72%	13.62%	8.25%	8.49%	7.04%	6.33%	2.84%	2.70%	0.31%	0.26%

Note(s): 1. Consolidated figures have been considered, 2. Calculated as Interest income on education loans or loans (as applicable) / Average total net loans (2-year period), 3. Calculated as Finance Cost/ Average Total Borrowing and Deposits (as applicable) (2-year period), 4. Calculated as (Total interest income + net gain/(Net gain/(loss) on financial instruments at fair value through profit or loss on Investments and derivatives) - finance cost)/ Average of Interest earning assets (Net loans, cash and cash equivalents, Bank balances other than cash and cash equivalents, Investments), 5. Operating Expenses (Summation of Employee benefit, Depreciation, other expenses)/ Average Total Assets (2-year period), 6. Impairment on Financial Instruments/ Average Total Assets (2-year period), 7. Standalone figures have been considered, 8. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 9. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 10. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Operational productivity

Credila had the highest productivity among education-focused NBFCs, with AUM per employee⁴ at ₹515.31 million, AUM per branch⁴ at ₹10,841.23 million, disbursement per employee⁴ at ₹257.57 million, and disbursement per branch at ₹5,418.93 million, for the Financial Year 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025). In the Financial Year 2023 Credila reported the highest AUM per employee⁴ at ₹331.12 million, AUM per branch⁴ at ₹5,883.72 million, Disbursement per employee⁴ at ₹172.98 million and the second highest disbursement per branch⁴ at ₹ 3,073.75 million (following Avanse at ₹3,838.52 million). Additionally, Credila has the lowest cost-to-income ratio² among education-focused NBFCs in India, at 27.10% and 19.65% for Financial Years 2024 and 2025 respectively.

Exhibit 59: Operational Productivity (for the respective Financial Year)

Players	AUM / Employee ⁴ (₹ Mn)		AUM / Branch ⁴ (₹ Mn)		Disbursement / Employee ⁴ (₹ Mn)		Disbursement / Branch ⁴ (₹ Mn)		Cost to Income (%) ²	
	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025
Education Focused NBFCs										
Credila	515.31	562.72	10,841.23	13,065.77	257.57	206.04	5,418.93	4,784.02	27.10%	19.65%
Avanse	197.96	NA	7,001.60	NA	94.27	NA	3,334.21	NA	36.84% ¹	35.06% ¹
Auxilo	82.48	NA	3,598.08	NA	38.49	NA	1,679.34	NA	42.18%	37.69%
Other NBFCs										
Aavas	20.26	NA	471.73	514.36	6.53	NA	152.10	154.23	44.92% ³	43.15% ³
Bajaj Finance ¹	61.44	65.01	797.62	977.39	NA	NA	NA	NA	28.67%	27.42%
Bajaj Housing	385.20	580.09	4,249.79	5,309.44	188.26	257.17	2,077.03	2,353.84	23.63%	20.42%
CIFC ¹	28.41	28.45	1,108.28	1,145.36	16.40	15.53	639.69	625.35	41.87%	39.70%
Five Star	10.34	9.95	185.40	158.78	5.23	4.16	93.87	66.44	32.16%	30.87%
HFFC	77.64	77.80	729.16	820.18	31.73	29.41	298.00	310.02	35.22%	35.63%

Note(s): 1. Consolidated figures have been considered, 2. Calculated as an operating expense (Summation of Employee benefit, Depreciation and Other expenses)/ (total income – finance cost), 3. Standalone figures have been considered, 4. Refers to the number of employees and branches as disclosed in the company filings and are detailed in the table above ("Distribution footprints of peers"), 5. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 6. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 7. Other

NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Asset quality

Credila has the lowest gross stage 3 assets (“Gross Stage 3 Assets”) of 0.19% and second-lowest net stage 3 assets (“Net Stage 3 Assets”) of 0.07% among education-focused NBFCs in India, as of March 31, 2025.

Exhibit 60: Asset Quality Metrics – as reported (for the respective Financial Year)

Players	Gross Stage 3 Assets %		Net Stage 3 Assets %	
	Financial Year 2024	Financial Year 2025	Financial Year 2024	Financial Year 2025
Education Focused NBFCs				
Credila	0.08%	0.19%	0.03%	0.07%
Avanse ¹	0.43%	0.26%	0.13%	0.04%
Auxilo	0.90%	0.52%	0.50%	0.08%
Other NBFCs				
Aavas	0.94%	1.08%	0.67%	0.73%
Bajaj Finance ¹	0.85%	0.96%	0.37%	0.44%
Bajaj Housing	0.27%	0.29%	0.10%	0.11%
CIFC ¹	3.54%	3.97%	2.32%	2.63%
Five Star	1.38%	1.79%	0.63%	0.88%
HFFC	1.70%	1.70%	1.20%	1.30%

Note(s): 1. Consolidated figures have been considered, 2. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 3. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 4. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Return on equity and Return on assets

Credila recorded the highest RoE⁽⁴⁾⁽⁶⁾ of 13.63% for TTM as of March 31, 2025, among education-focused NBFCs.

Exhibit 61: Key ratios

Players	RoA % ²			RoE %		
	Financial Year 2024	Financial Year 2025	Financial Year 2024 ³	Financial Year 2025 ³	TTM as of March 31, 2024 ⁴	TTM as of March 31, 2025 ⁴
Education Focused NBFCs						
Credila ⁵	2.20%	2.48%	14.14%	14.41%	15.30%	13.63%
Avanse ¹	2.84%	3.01%	11.75%	12.84%	13.01% ⁶	12.97% ⁶
Auxilo	2.60%	2.72%	9.57%	9.39%	9.51%	9.21%
Other NBFCs						
Aavas ⁶	3.28%	3.27%	13.93%	14.12%	13.96%	14.15%
Bajaj Finance ¹	4.44%	3.99%	22.05%	19.11%	22.46%	19.41%
Bajaj Housing	2.36%	2.34%	15.23%	13.44%	15.19%	12.72%
CIFC ¹	2.53%	2.38%	20.15%	19.71%	20.54%	19.80%
Five Star	8.20%	8.22%	17.53%	18.65%	17.59%	18.69%
HFFC	3.76%	3.51%	15.52%	16.46%	15.62%	16.57%

Note (s): 1. Consolidated figures have been considered, 2. Profit after tax/ Average Total Assets (2-year period), 3. Profit after tax/ Average Net Worth (2-year period), 4. Profit after tax/ Average Tangible Net Worth as reported in the company filings (5-quarter period), 5. Restated net profit after tax has been considered for the computation; 6. Standalone net worth has been considered for the purpose of computation, 7. The companies mentioned above may have other related entities or may define metrics differently and hence, may not be directly comparable, 8. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 9. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Annual Reports and company filings of players

Credit ratings

Credila currently holds a credit rating of AA+ from CRISIL and AA from CARE and ICRA for its long-term

financial instruments, which was the highest among the education-focused NBFCs in India, reflective of Credila's strong business model, robust asset quality, and sound capitalization.

Exhibit 62: Credit Ratings – Long Term Rating

Players	Long Term Rating
Education Focused NBFCs	
Credila	CRISIL AA+/Stable (Mar 2024), CARE AA/Stable (Apr 2024) and ICRA AA/Stable (Apr 2024)
Avanse	CRISIL AA-/Stable (Aug 2024), CARE AA-/Stable (Aug 2024)
Auxilo	CRISIL A+/Stable (Mar 2024), CARE A+/Stable (Sept 2023)
Other NBFCs	
Aavas	ICRA AA/Stable (Jan 2024), CARE AA/Stable (Jan 2024)
Bajaj Finance	CRISIL AAA/Stable (May 2024), ICRA AAA/stable (May 2024), CARE AAA/Stable (Jan 2024)
Bajaj Housing	CRISIL AAA/Stable (May 2024)
CIFC	ICRA AA+(Positive) (Oct 2024), CARE AA+/Stable (Jan 2023)
Five Star	ICRA AA-/Stable (Jan 2024), CARE AA-/Stable (June 2024)
HFFC	ICRA AA-/Stable (July 2024), CARE AA-/Stable (July 2024)

Note (s): 1. Other NBFCs are not primarily focused on education loans, and, therefore, they are not fully comparable to Credila or Education-focused NBFCs, 2. Other NBFCs may operate in different sectors and are not comparable to one another.

Source(s): Credit rating agencies – CRISIL, CARE, ICRA

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 28 for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” on page 42 for a discussion of the risks that may affect our business, financial condition, or results of operations, and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 328 and 439, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See also “Definitions and Abbreviations” on page 6 for certain terms used in this section.

We have included several operational and financial performance indicators in this Updated Draft Red Herring Prospectus – I, many of which may not be derived from our Restated Financial Information. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled “Report on Education Financing Industry in India” dated June 26, 2025 (the “**Industry Report**”), prepared and released by Redseer Strategy Consultants Private Limited, which has been paid for and commissioned by our Company pursuant to an engagement letter dated November 12, 2024, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer. The Industry Report will be made available on the website of our Company at <https://credila.com/about/investor-relation.html> in accordance with applicable laws. The data included herein includes excerpts from the Industry Report and may have been re-ordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer) that have been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant financial year. See “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” and “Risk Factors — Internal Risk Factors — We have referred to data derived from an industry report commissioned and paid for by our Company exclusively for the purpose of the Offer” on pages 23 and 77, respectively.*

Our Company’s Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information as of and for the Financial Years ended March 31, 2025, 2024 and 2023 included herein is derived from the Financial Statements included in this Updated Draft Red Herring Prospectus – I on page 328.

Overview

Founded in 2006, we are an Indian education finance company focused on providing education loans to Indian students pursuing higher education in India and overseas. According to the Industry Report, we are the leading education finance company in India across multiple parameters, including:

- Largest education-focused non-banking financial company (“**NBFC**”) in India (which peer set comprises three companies, including our own), with Net Loans of ₹414,693.08 million as of March 31, 2025; restated net profit after tax of ₹9,899.58 million for the Financial Year 2025; and the highest disbursements of ₹140,892.15 million for the Financial Year 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025);
- Fastest growing education-focused NBFC in India (comprising three companies, including our own) with a CAGR of 64.96% in Net Loans between the Financial Years 2023 and 2025 and a year-on-year growth of 84.26% in assets under management (“**AUM**”) between March 31, 2023 and March 31, 2024 (assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025);
- Second fastest growing education-focused NBFC in India in terms of year-on-year growth of Net Loans, with a year-on-year growth of 47.67% between the Financial Years 2024 and 2025;

- Lowest gross stage 3 assets (“**Gross Stage 3 Loans**”) and second-lowest net stage 3 assets (“**Net Stage 3 Loans**”) among education-focused NBFCs in India (comprising three companies, including our own), of 0.19% and 0.07%, respectively, as of March 31, 2025;
- Largest distribution network (comprising DSAs, aggregators, counsellors and financial institutions) among education-focused NBFCs in India (comprising three companies, including our own) with a network of 1,095 distribution agents as of March 31, 2024 (*assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025*);
- Second-highest number of employees among education-focused NBFCs (comprising three companies, including our own) as of March 31, 2024, with a headcount of 547 on-roll employees (*assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025*); and
- The lowest cost-to-income ratio among education-focused NBFCs in India (comprising three companies, including our own) of 19.65% and 27.10% for the Financial Years 2025 and 2024, respectively.

The graphic below sets out certain key parameters relating to our business as of March 31, 2025 (unless otherwise stated):

Scale	INR 418.10bn / 65% AUM (Mar'25) / CAGR (Mar-23 – Mar-25)	INR 537.54 bn Cumulative disbursements	226,570 Students funded
	INR 153.09bn / 38% Disbursements (FY25) / CAGR (FY23-25)	4,600+ Programs funded	64 Countries Since Inception
Distribution	1,672 Distribution Agents	Pan-India Sourcing	
	5 Banks/ FI Partnerships	41 Cities Present	8 Regional Offices / Underwriting Locations
Financials	Asset Quality	Profit After Tax	Credit Rating
	0.19% Mar'25 GS3	INR 9.9bn / 89.41% FY25 / CAGR (FY23-25)	AA+ Long Term Financial Instrument Rated by CRISIL

We are a non-deposit taking NBFC registered with the RBI and classified as a “middle layer” NBFC under the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023 (“**NBFC Scale Based Regulations**”) with a focus on education finance and offering loans for higher education to Indian students. Our mission is to empower aspiring students to realize their dreams of higher education, with a vision to transform lives.

We primarily provide loans to students pursuing master’s programs in the science, technology, engineering and mathematics (“**STEM**”) domain, master’s in business administration (“**MBA**”), undergraduate programs, and students enrolled in diploma programs, professional degrees, certificate courses and executive and technical programs. As of March 31, 2025, all of our loans are retail education loans, and 94.65% and 5.35% of our AUM was attributable to students pursuing higher education overseas and in India, respectively. The table below sets out our gross loans by course type as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in millions)	% of Gross Loans	Amount (₹ in millions)	% of Gross Loans	Amount (₹ in millions)	% of Gross Loans
Master of Science	288,634.65	69.03	197,895.87	70.21	101,995.43	66.67
MBA and Post Graduate Diploma	47,312.41	11.32	32,463.88	11.52	20,490.43	13.39
Master's Courses (other than Master of Science)	36,192.08	8.66	18,087.56	6.42	8,436.51	5.52
Bachelor's Courses	12,156.31	2.91	6,092.52	2.16	4,505.56	2.95
Senior Management Programmes	958.98	0.23	215.09	0.08	210.22	0.14
Others*	32,850.06	7.85	27,117.06	9.61	17,338.45	11.33
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

*Others include diploma, executive, associate, doctoral, certificate and vocational training courses.

Since incorporation and until March 31, 2025, we provided education loans to Indian students studying in 64 countries, offering secured and unsecured loans with an average sanctioned ticket size of ₹3.59 million during the Financial Year 2025. Our loan terms range from 10 to 15 years, with an average behavioural tenor of six to seven years. In addition, set out below are the details of the number of countries in which our borrowers are studying or have studied (since our incorporation) and the average sanctioned ticket size, each as of and for the years indicated:

Particulars	As of and for the Financial Year		
	2025	2024	2023
Number of countries in which borrowers are studying or have studied (since incorporation)	64	63	59
Average sanctioned ticket size (₹ in million)	3.59	3.50	3.24

The increasing demand for overseas education is driven by various factors, including aspirations for higher quality education, wider range of career prospects, and access to globally recognized academic programs (Source: *Industry Report*). Additionally, ageing populations in developed countries have led to a growing reliance on international students to support labour markets. Further, universities and colleges in these countries increasingly depend on international students to address declining domestic enrollments and supplement their revenue streams (Source: *Industry Report*). Historically, the United States of America, Canada, the United Kingdom and Australia have been the preferred destinations for Indian students (Source: *Industry Report*). However, in recent years, there has been growing interest among Indian students to study in other developed countries such as Germany and Ireland, driven by high-quality education providers, immigration-friendly policies, and improved employment opportunities (Source: *Industry Report*). As demonstrated, our education financing model is inherently diversified across multiple international geographies, universities and academic programs. This strategic dispersion of our loan portfolio mitigates risks arising from geopolitical developments, regulatory shifts, or macroeconomic volatility. As a result, the business remains stable and continues to support Indian students' global education aspirations, even amidst disruptions in individual markets.

In addition to our core business of providing higher education loans, we offer a range of value-added services designed to support our borrowers with their broader overseas education needs beyond financing. These services, provided through engagements with external service providers, include life, travel and general insurance products, foreign exchange services, domestic savings account services, international checking account facilitation services, assistance with student accommodation, and guaranteed investment certifications. Our fees and commission income (which is income from these value-added services) for the Financial Years 2025, 2024 and 2023 are set out below:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income
Commission income	1,810.07	3.83	1,013.67	3.66	223.60	1.65
Origination fees	334.31	0.71	149.54	0.54	54.20	0.40
Other fees	41.37	0.09	26.08	0.09	14.49	0.11

We have a pan-India presence with a large and omni-channel distribution network, enabling us to serve a large and diverse pool of borrowers. In addition to our own regional offices and branches, our distribution network

comprises of distribution agents (which includes banks and financial institutions) and direct channels (including digital leads and referrals). As of March 31, 2025, we work with 1,672 distribution channels (including financial institutions), with more than a third of our 100 largest distribution channels by disbursements having been with us for over five years. We have the largest distribution network (comprising DSAs, aggregators, counsellors and financial institutions) among education-focused NBFCs in India (which peer set comprises three companies, including our own) with a network of 1,095 distribution agents as of March 31, 2024 (*assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025*). As of March 31, 2025, we have a presence in 41 cities with eight regional offices in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, Ahmedabad and Kolkata, and 32 branches across India.

We have operated under the 'Credila' brand, singularly since our incorporation in 2006 and with the use of the "HDFC" name from February 19, 2017, to October 21, 2024. We actively engage with students through informational seminars, webinars, social media platforms, sponsorship of student festivals, and participation in cultural programs at colleges, with an aim to ensure that the 'Credila' brand remains in the minds of students when considering education loans for higher education in India and overseas. For students pursuing education overseas, we work with our distribution network to present our education loan offerings. Additionally, we participate in international education fairs, which are often hosted by universities, distribution agents, and marketing agencies. These fairs provide direct access to prospective students, helping us build brand recognition at key decision-making stages in their overseas education journey.

We have a specialized approach to underwriting for education loans resulting from our experience and domain expertise in the overseas and Indian education market across countries, universities and courses. Moreover, more than 91.98% of our AUM as of March 31, 2025 was attributable to borrowers with earning co-borrowers, helping us maintain high asset quality. Our Gross Stage 3 Loans as of March 31, 2025 was 0.19%, and our Gross Non-Performing Assets for our EMI portfolio as of March 31, 2025 was 0.59%. To ensure the quality and performance of our portfolio, we have developed an early-warning signal model that utilises machine learning to identify potential stress and trigger timely remedial actions. Moreover, our proactive monitoring mechanisms are designed to ensure timely repayments and prevent delinquencies.

We have a comprehensive risk management framework to identify, assess, and monitor risks across credit, financial, operational, and information security areas. Key elements include a risk and control self-assessment framework, quarterly political, economic, sociological, technological, legal, and environmental ("PESTLE") reports to track macroeconomic trends, a country risk index evaluating geopolitical, economic and socio-educational factors, and a risk appetite statement with more than 40 key indicators across strategic and operational risks.

We have a well-funded and diversified liability profile which enables us to access a broad spectrum of funding sources at competitive costs and maintain a high level of liquidity. As of March 31, 2025, we had total outstanding borrowings other than debt securities (excluding borrowings outside India of ₹71,503.80 million) of ₹242,340.85 million from 29 banks and financial institutions. We follow a conservative and prudent approach to asset-liability management, aiming to closely align the tenor of our assets and liabilities. Our loans, i.e., our assets, are offered at variable interest rates and we seek to match our assets and liabilities, to the extent possible, in order to reduce our interest rate risks. We currently have a credit rating of AA+ from CRISIL and AA from CARE and ICRA for our long-term financial instruments. This is the highest among our peers (which are education-focused NBFCs), and reflective of our strong business model, robust asset quality and sound capitalization (Source: *Industry Report*). These ratings have been achieved as a standalone entity, subsequent to the change of control of our Company from HDFC Bank Limited to a member of the EQT Group in March 2024.

We have a professional and experienced management team led by our distinguished board of directors. Our Managing Director and CEO, Arijit Sanyal, has over 21 years of experience in the banking and financial services sectors and was previously the head of strategic planning and new initiatives at the erstwhile HDFC Limited. Our institutional shareholders include HDFC Bank Limited and HDFC Life Insurance Company Limited as well as members of the EQT Group, affiliates of ChrysCapital, and Shinhan Bank, a South Korean financial institution. We benefit from their capital sponsorship and professional experience. Also see "Our Promoter and Promoter Group" on page 314.

Our 12-member board of directors brings together a diverse skill set, including financial, regulatory, operational, and strategic expertise, ensuring leadership and oversight across all facets of our business. Additionally, our association with the HDFC group for 14 years has shaped our business ethos and governance standards, which are our core principles. Furthermore, our team currently includes 18 former employees of erstwhile HDFC

Limited, with eight holding senior positions, and five of our 19 vice presidents were also formerly employed at erstwhile HDFC Limited, reinforcing our commitment to maintaining recognized standards in business conduct and operations.

The following table sets forth certain operational and financial parameters, as of or for the Financial Years indicated below:

Parameter	Unit	As of and for the Financial Year		
		2025	2024	2023
AUM ⁽¹⁾	₹ in millions	418,104.49	281,871.98	152,976.60
AUM Growth ⁽²⁾	%	48.33	84.26	73.09
Quarterly Average AUM ⁽³⁾	₹ in millions	354,123.02	216,840.44	118,917.38
Total Gross Loans ⁽⁴⁾	₹ in millions	4,17,096.39	281,871.98	152,976.60
Total Net Loans	₹ in millions	4,14,693.08	280,832.16	152,389.01
Disbursements ⁽⁵⁾	₹ in millions	15,3088.59	140,892.15	79,917.41
Disbursement Growth ⁽⁶⁾	%	8.66	76.30	85.47
Interest Income on Education Loans ⁽⁷⁾	₹ in millions	41,655.75	25,353.55	13,013.99
Fees and Commission Income	₹ in millions	2,185.75	1,189.29	292.29
Total Income	₹ in millions	47,260.00	27,710.41	13,521.76
Finance Costs	₹ in millions	28,934.43	17,310.23	8,132.77
Restated Profit Before Tax	₹ in millions	13,259.71	7,083.67	3,702.07
Restated Net Profit After Tax	₹ in millions	9,899.58	5,288.39	2,759.25
Total Assets	₹ in millions	4,81,945.04	315,659.69	164,460.43
Net Worth ⁽⁸⁾	₹ in millions	86,945.06	50,433.64	24,350.92
Yield on Quarterly Average Gross Loans ⁽⁹⁾	%	11.76	11.69	10.94
Cost of Quarterly Average Borrowings ⁽¹⁰⁾	%	8.85	8.63	7.81
Net Interest Margin on Quarterly Average Interest Earning Assets ⁽¹¹⁾	%	3.95	3.85	4.13
Net Interest Income ⁽¹²⁾	₹ in millions	16,011.29	9,210.87	5,096.68
Operating Expense to Quarterly Average Total Assets ⁽¹³⁾	%	0.89	1.17	1.28
Cost to Income Ratio ⁽¹⁴⁾	%	19.65	27.10	29.43
Return on Quarterly Average Assets ⁽¹⁵⁾	%	2.44	2.20	2.22
Return on Quarterly Average Net Worth ⁽¹⁶⁾	%	13.48	15.05	16.21
Gross Loans – Stage 3	₹ in millions	798.76	214.64	254.03
Net Loans – Stage 3	₹ in millions	279.47	97.85	151.40
Gross Stage 3 Loans ⁽¹⁷⁾	%	0.19	0.08	0.17
Net Stage 3 Loans ⁽¹⁸⁾	%	0.07	0.03	0.10
Provision Coverage Ratio ⁽¹⁹⁾	%	65.01	54.41	40.40
Gross Non Performing Assets – EMI Portfolio ⁽²⁰⁾	%	0.59	0.56	0.66
Capital to Risk Weighted Assets Ratio ⁽²¹⁾	%	21.81	20.45	20.42
Debt to Equity Ratio ⁽²²⁾	Times	4.47	5.16	5.61
Cumulative Number of Education Loans Disbursed	Number	2,26,570	178,372	124,769
Cumulative Number of Institutions where our Borrowers were/are Studying	Number	5,290	4,682	4,196
Outstanding Number of Education Loans	Number	1,50,339	115,711	72,416
Total Employees (including off-roll)	Number	1,478	1,200	898
AUM per Employee	₹ in millions	282.89	234.89	170.35
Number of Branches	Number	32	26	26
AUM per Branch	₹ in millions	13,065.77	10,841.23	5,883.72

(1) Assets Under Management (AUM) is the aggregate amount of Gross Loans and assigned loan assets, which represents the aggregate amount of off-book loan assets that have been transferred by way of assignment as of the last day of the specified year.

(2) AUM Growth represents percentage growth in AUM as of the relevant balance sheet date over AUM as of the previous comparable year.

(3) Quarterly Average AUM represents the average of our AUM as at the beginning of the relevant year and at end of each of the quarters during the relevant year.

- (4) *Total Gross Loans* represent aggregate of loan receivables (including overdue) from the borrowers before considering impairment allowances as on the last day of the relevant year.
- (5) *Disbursements* represents the aggregate of all loan amounts disbursed to our borrowers in the relevant year.
- (6) *Disbursement Growth* represents percentage growth in Disbursements for the relevant year over Disbursement of the previous comparable year.
- (7) *Interest Income on Education Loans* is the Interest Income recognized as per Ind AS 109 using the Effective Interest Rate (EIR) method.
- (8) *Net worth* means aggregate of equity share capital and other equity as at the end of the year.
- (9) *Yield on Quarterly Average Gross Loans* is the ratio of Interest Income on Education Loans to Quarterly Average AUM. Quarterly Average AUM represents the average of our AUM as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (10) *Cost of Quarterly Average Borrowings* is the ratio of finance cost to Average Total Borrowings for the relevant year. Quarterly Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (11) *Net Interest Margin on Quarterly Average Interest Earning Assets* is the ratio of Net Interest Income to Average Interest Earning Assets for the relevant year. Quarterly Average Interest-earning Assets represent the average of Total Interest-Earning Assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (12) *Net Interest Income* is computed as the sum of Interest Income and Net Gain on Fair Value changes less Finance Costs for the year.
- (13) *Operating Expenses to Quarterly Average Total Assets* represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant year upon the average total assets for the relevant year, represented as a percentage. Average Total assets represents the average of our total assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (14) *Cost to Income Ratio* represents the ratio of operating expenses, which is aggregate of employee benefits expense, depreciation and amortization expense, other expenses divided by the total income less finance cost for the relevant year, expressed as a percentage.
- (15) *Return on Quarterly Average Total Assets* is computed as Net Profit after Tax divided by Average Total Assets for the specified year. Quarterly Average Total Assets represents the average of our total assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (16) *Return on Quarterly Average Net Worth* is computed as Profit after Tax divided by Average Net Worth for the specified year. Quarterly Average Net Worth represents the average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as at the beginning of the relevant year and at the end of each of the quarter during the relevant year.
- (17) *Gross Stage 3 Loans (%)* is computed by dividing the Gross Loans – Stage 3 by Gross Loans as of the end of the relevant year.
- (18) *Net Stage 3 Loans (%)* is computed by dividing the Net Loans – Stage 3 by Gross Loans as of the end of the relevant year. Net Loans – Stage 3 represent Gross Stage 3 loans less specific impairment loss allowance for Stage 3 loans as of the end of relevant year.
- (19) *Provision Coverage Ratio* is computed by dividing the impairment loss allowance for Stage 3 loans by Gross Loans – Stage 3 as of the end of the relevant year.
- (20) *Gross Non Performing Assets – EMI Portfolio* is computed by dividing the amount of Gross Non Performing Assets within the full EMI Paying Portfolio by Total Gross Loans – full EMI Paying Portfolio. Full EMI Paying book is the amount of Gross Loans where the full EMI payment has started as of the reporting date, subsequent to the principal moratorium period.
- (21) *Capital to Risk Weighted Assets Ratio* is computed by dividing our Company's Tier I and Tier II capital by risk weighted assets, each as computed in accordance with relevant RBI guidelines.
- (22) *Debt to Equity Ratio* is computed by dividing our total borrowings by total equity of the relevant year.

Our Strengths

Established presence in the large and growing education loan market in India

According to the Industry Report, higher education in India offers a large and growing opportunity, with education being a key priority for Indian households and a driver of social and economic mobility. The education loan market has emerged as the fastest-growing market within NBFC retail credit in India, having grown at a CAGR of 43% between Financial Years 2019 and 2024, and 71% between Financial Year 2021 and 2024, having outpaced other major loan products during the period between the Financial Years 2021 and 2024 (Source: *Industry Report*). Within the Indian education loan market, the overseas education market has been experiencing significant growth, and reached ₹3,422 billion in the Calendar Year 2024, and is expected to reach ₹7,500 to ₹8,000 billion by the Calendar Year 2029, reflecting a CAGR of 17-19% between the Calendar Years 2024 and 2029. Further, the education market in India (including both overseas and domestic) is estimated to be ₹19,186 billion in the Calendar Year 2024, and is projected to grow at a CAGR of 10-12% between the Calendar Years 2024 and 2029 (Source: *Industry Report*).

According to the Industry Report, NBFCs' share in the overall education loan market has increased from 11% as of the Calendar Year 2021 to 30% as of the Calendar Year 2024. This has been primarily due to NBFCs offering customised loan products, faster processing and lower turnaround times, specialized underwriting, personalised customer service, innovative financing options, value-added services and differentiated distribution approach, among other factors. This share is projected to rise further to 43-45% by the Calendar Year 2029 (Source: *Industry Report*).

Overseas education is becoming an increasingly attractive option for Indian students seeking high-quality education, access to globally recognized programs and the ability to gain overseas exposure (Source: *Industry Report*). Additionally, ageing populations in developed countries have led to a growing reliance on international students to support labour markets. Further, universities and colleges in these countries increasingly depend on

international students to address declining domestic enrolments and supplement their revenue streams. Indian students constitute 26% of international students in leading education hubs (including the United States, the United Kingdom, Australia, and Canada) as of the Calendar Year 2024 (Source: *Industry Report*).

According to the Industry Report, while historically the United States attracted a substantial majority of Indian students by value to study, current trends indicate that other developed countries also provide high quality and skill-based education and employment opportunities to Indian students, leading to a growth in the total addressable market, and diversity and resilience in the sector. Further, according to the Industry Report, approximately 611,655 student visas were issued to Indians studying overseas in the Calendar Year 2024, a substantial increase from approximately 484,728 in the Calendar Year 2019, reflecting a CAGR of 5% over this period. The above factors translate to a total addressable spend for financiers aggregating to ₹3,422 billion in the Calendar Year 2024, of which only ₹358 billion was formally financed by banks and NBFCs (Source: *Industry Report*).

India has a large education market (including both overseas and domestic), estimated to be ₹19,186 billion in the Calendar Year 2024, which is projected to grow at a healthy CAGR of 11-13% between the Calendar Years 2024 and 2029. One of the key factors contributing to this projected growth is the significant scope for improvement in the Gross Enrolment Ratio (“GER”) for higher education, which is defined as the percentage of students enrolled in tertiary education (and refers to all formal post-secondary education, including public and private universities, colleges, technical training institutes, and vocational schools) divided by the total population aged 18-23 who are eligible for tertiary education enrolment after completion of school, which currently stands at 33% for the Calendar Year 2023 for India, compared to 75%, 77%, 80% and 79% in developed markets such as China, Canada, the United Kingdom, and the United States, respectively. The GER for China and India has grown exponentially from 8% and 10% respectively in the Calendar Year 2000. The GER for Canada, the United Kingdom and the United States has also grown (while at a slower rate) from 59%, 57% and 71% respectively in the Calendar Year 2000 (Calendar Year 1999 for the US) to 77%, 80% and 79%, respectively, as of the Calendar Year 2022. This gap, influenced by barriers such as limited access to quality education, financial constraints related to high tuition fees, and socio-economic challenges (such as inadequate awareness of educational opportunities and a lack of support systems for students from lower-income backgrounds), highlights untapped potential in India’s higher education market. Additionally, the widespread English-speaking population further enhances India’s global competitiveness, enabling students to pursue international education and career opportunities effectively (Source: *Industry Report*). As income levels rise and the demand for qualified professionals grows, India’s demographic, coupled with its current GER, presents a substantial market opportunity for lenders such as us.

Largest and longest serving education-focused NBFC in India

Founded in 2006, we are India’s largest education-focused NBFC, with an Net Loans of ₹414,693.07 million as of March 31, 2025, and are the longest serving in the sector based on inception year among education-focused NBFCs in India (Source: *Industry Report*). We are also the largest education finance NBFC in India in terms of disbursements of ₹140,892.15 million for the Financial Year 2024 (*assessment performed for Financial Year 2024 given unavailability of peer data for Financial Year 2025*) and had the highest restated profit after tax of ₹9,899.58 million for the Financial Year 2025 (Source: *Industry Report*). Our restated net profit after tax has grown at a CAGR of 89.41% over the Financial Years 2023 to 2025. We are also the fastest growing education-focused NBFC in India with a CAGR of 64.96% in Net Loans between the Financial Years 2023 and 2025, and the second fastest-growing education finance NBFC in India in terms of year-on-year growth of Net Loans, with a year-on-year growth of 47.67% between the Financial Years 2024 and 2025 (Source: *Industry Report*). Our longstanding focused business reflects our dedication to supporting higher education and meeting the evolving needs of aspiring students in India, further leading to domain and operational expertise. We have a market share of approximately 19.7% in the education loan market in India in terms of loans outstanding as of November 30, 2024, increasing from approximately 7% as of March 31, 2019 (market size pertaining to outstanding education loans is sourced from Equifax and excludes data for 720+ days past due for November 2024 market size calculation) (Source: *Industry Report*), having consistently increased our market share over the years while maintaining robust asset quality. This reflects our strong origination capabilities, customer trust and commitment to serving the needs of students.

We are the first NBFC in India to specialise in education loans (Source: *Industry Report*), with a first-mover advantage and domain expertise in the education loan market and, in particular, the overseas education market. We have institutionalised our learnings and have developed underwriting expertise that has delivered low credit costs and superior asset quality over long periods and across cycles. We continue to accrue a diverse database of student borrowers, which we utilize to assess the creditworthiness, repayment capabilities and future employment prospects of potential borrowers.

Our emphasis on customer-centricity has led us to offer loan products that are tailored to meet the requirements of our borrowers. We offer a range of repayment options such as (i) the option to collect partial interest payment during the course of study and during an additional 12-month period upon completion of studies, followed by equated monthly instalment (“EMI”) payments, (ii) interest only payments during the study and an additional 12-month period upon completion of studies, followed by EMI payments, and (iii) standard EMI repayment. These options along with other post disbursement checkpoints allow us to maintain regular contact with our borrowers and facilitate ongoing engagement, enabling us to monitor the loan effectively, track the borrower’s academic progress, and assess the borrower’s financial commitment. Additionally, we have enhanced the digital experience for borrowers to apply for and manage their loans entirely online, ensuring speed, transparency, convenience and accessibility.

We have operated under the ‘Credila’ brand, singularly since our incorporation in 2006 and with the use of the “HDFC” name from February 19, 2017, to October 21, 2024. Furthermore, we are the only NBFC in India to be notified as an eligible financial institution for the purpose of Section 80E of the IT Act which allows borrowers to avail benefits of income tax deductions in respect of the interest paid by them on their education loans, subject to certain conditions laid down under the IT Act. This reduces the effective interest cost for our customers depending on their income tax bracket while strengthening customer loyalty and retention, with students benefitting from staying with us throughout their education.

Pan-India presence with a large, omni-channel asset-light distribution network

Our omni-channel distribution network comprises distribution agents, banks and financial institutions and direct channels (including digital leads and referrals), who refer students and their parents to us. As of March 31, 2025, we have a presence in 41 cities with a network comprising eight regional offices in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, Ahmedabad and Kolkata, and 32 branch locations in India with 861 full-time sales employees (on-roll and off-roll). Within our distribution network, we work with overseas education consultants, test preparation centers, examination tutoring service providers, direct selling agents and education fair organizers, who have access to a large pool of potential borrowers.

As of March 31, 2025, we have active sourcing arrangements with banks and leverage their widespread network of branches and customer base to generate leads for us. Furthermore, as of March 31, 2025, we have a pan-India network of 1,672 distribution agents who augment our existing branch network and provide guidance and assistance to students throughout their overseas education journey. Of these distribution agents, as of March 31, 2025, more than a third of our 100 largest distribution agents in terms of disbursements have been with us for over five years.

To support the growth and expansion of our distribution network, we engage in a range of targeted initiatives aimed at fostering long-term relationships and expanding distribution reach. We work closely with our distribution agents on joint marketing efforts to attract prospective students, offering tailored marketing campaigns and events designed to increase student awareness and enrolment. These joint marketing initiatives include co-branded promotional materials, webinars, and participation in student fairs, allowing our distribution agents to leverage our service offerings to grow their client base.

We actively provide our distribution agents with a variety of tools and resources to support their network expansion efforts. This includes comprehensive training programs, guidance on industry best practices, and collaboration on creating marketing content to maximize reach. Additionally, we organize regular webinars to connect students and distribution agents, aiming to raise awareness on international higher education opportunities and relevant financing options. To reinforce trust, ensure long-term collaboration, and support healthy cash flows, we prioritize the timely payment of commissions to our distribution agents.

We utilise digital channels to enhance our visibility and reach, in addition to collaborating with aggregators, to increase our digital reach. We also maintain a dedicated team of sales professionals who provide end-to-end support to our borrowers, from documentation, verification, sanction, disbursement, to post-disbursement services.

We operate an asset-light network designed to achieve high operating leverage and profitability through our distribution network. This approach is supported by a hub-and-spoke model, with full-service locations strategically positioned across the country. This allows us to efficiently reach and serve an increasing number of locations across India and meet the needs of students in locations with growing demand for higher education

financing. As a result, our disbursements per sales employee were ₹512.00 million, ₹577.43 million and ₹378.76 million for the Financial Years 2025, 2024 and 2023, respectively.

High asset quality loan portfolio built through specialized underwriting

Our specialised approach to underwriting underpinned by proprietary data and risk-based pricing has resulted in a high asset quality loan portfolio across multiple credit cycles. This is supported by our extensive experience in both the overseas and Indian education markets, where we have developed a deep understanding and knowledge of various countries, universities, and courses. Our underwriting process involves a comprehensive analysis of factors including student credentials, future employability (earnings potential), collateral availability, and country, university, and course evaluation (including university ranking, program reputation, country risk, such as immigration laws, regulations on granting of post-study work permit and employment trends). Additionally, we consider the co-borrower's profile and income (credit history, leverage, and income) as well as regulatory factors (such as visa requirements, post-study work permits, and socio-political climate) in the proposed country of study.

We have implemented a differentiated risk-based pricing approach that aligns loan terms with individual borrower profiles and the quality of available collateral security. Moreover, to ensure a comprehensive understanding of each applicant, we also conduct a personal discussion as part of our underwriting process.

Our credit team has significant expertise in education loans, with a strong understanding of market dynamics, regulatory requirements, borrower preferences, and evolving industry trends. As of March 31, 2025, our credit team comprised 103 professionals, including eight regional credit managers located across major hubs in India. Our regional credit managers, with an average tenure of 10 years with our Company and an average overall experience of 18 years as of March 31, 2025, have significant experience in specialized credit underwriting.

As of March 31, 2025, more than 91.98% of our AUM was attributable to borrowers with earning co-borrowers, helping us maintain superior asset quality. By focusing on high-quality student borrowers, particularly in STEM programs, our underwriting approach has consistently adapted through economic cycles, ensuring stability of our asset quality despite fluctuations in job markets and ongoing talent shortages in developed markets, especially for engineers and technology professionals. Our loan portfolio is diversified, with 51.54% AUM exposure to borrowers studying in the United States, 18.84% to borrowers studying in the United Kingdom and 11.99% to borrowers studying in Canada, as of March 31, 2025. Further, the earning co-borrowers for our loans are generally employed in India, which together with our geographic diversification provides a hedge against region-specific geopolitical and macroeconomic conditions such as changes in visa issuance policies, a decline in admission flows, or unemployment trends in any single geography.

Our approach to underwriting has also proven to be resilient and effective against events such as the Covid-19 pandemic which disrupted education and employment across the world, with our portfolio maintaining a low delinquency rate. Pursuant to the RBI's circular on the resolution framework for Covid-19 related stress, we restructured ₹622.82 million of our AUM, of which 3.75% was classified as Gross Stage 3 Loans, with 0.91% of this AUM having been written off as of March 31, 2025. The remainder of the loans forming part of this restructured AUM have either been repaid or were upgraded to standard loans as of March 31, 2025.

Healthy Asset Quality

As of March 31, 2025, we have disbursed loans totaling ₹537,540.75 million since inception. We monitor asset quality using a static pool analysis, with 32.49% of our total disbursements as of March 31, 2025 (aggregating to ₹174,673.04 million) having a vintage of more than 36 months, 23.44% (aggregating to ₹125,975.03 million) having a vintage of more than 48 months, and 20.38% (aggregating to ₹109,530.02 million) having a vintage of more than 60 months. This reflects a 90+ delinquency rate of 0.08% at 36 months on book ("MOB"), 0.16% at 48 MOB, and 0.21% at 60 MOB.

The table below sets out details of our disbursements, as of March 31, 2025:

Disbursement Vintage MOB	Disbursement (in ₹ million)	Percentage of lifetime disbursements (%)	90+ % Delinquency				
			MOB - 36	MOB - 48	MOB - 60	MOB - 72	MOB - 84
> 60	109,530.02	20.38%	0.08%	0.15%	0.21%	0.17%	0.13%
> 48	125,975.03	23.44%	0.07%	0.16%	-	-	-

Disbursement Vintage MOB	Disbursement (in ₹ million)	Percentage of lifetime disbursements (%)	90+ % Delinquency				
			MOB - 36	MOB - 48	MOB - 60	MOB - 72	MOB - 84
> 36	174,673.04	32.49%	0.08%	-	-	-	-

We measure and provide for the impairment of our financial assets in accordance with Ind AS 109, which requires us to use an expected credit loss (“ECL”) model. Our ECL model estimates the present value of all cash shortfalls over the expected life of the financial asset, based on the probability of default, loss given default, and exposure at default. This model also incorporates forward-looking information and scenarios to reflect the impact of macroeconomic factors and uncertainties on our portfolio. We also apply management overlays and adjustments to the ECL model results, to address any known limitations, emerging trends, or risks not captured by the model. We review and update our ECL model parameters, assumptions, and inputs on a regular basis, to ensure that they reflect the current and expected credit conditions and portfolio behaviour. On account of our asset monitoring and collections initiatives, as of March 31, 2025, we had the lowest Gross Stage 3 Loans ratio among education-focused NBFCs in India (Source: *Industry Report*), with our Gross Stage 3 Loans (%) standing at 0.19%.

Robust risk management framework supported by technology and data analytics

Risk Management Framework

We have implemented a comprehensive risk management framework to identify, assess, mitigate, and monitor the various risks arising from our business activities. Our framework covers key enterprise risks, including credit, financial and operational (including information security) risks, with a focus on specialization and accountability within our risk management team.

Our risk management committee meets on a quarterly basis to review significant and emerging risks, and our internal risk management committee and its sub-committees on business, operations, and finance and compliance meet at least once every quarter to address specific risk areas.

Key elements of our risk management framework include:

- **Portfolio Monitoring:** Regular reviews of credit quality across diverse sub-portfolios (such as study location, underwriting location, co-borrower location, bureau scores, co-borrower leverage, co-borrower income, university rankings, course type, product group, product type and collateral, among others) and analysis of trends and metrics such as 0+ DPDs, 30+ DPDs, NPAs, bounce rates, and ECL provisioning, as well as incremental disbursements.
- **Macro-Economic and Country Risk Analysis:** We prepare a quarterly PESTLE report to track the key developments and implications for our business. Additionally, we also prepare a quarterly economic outlook report which tracks India and the major economies where we fund students, which include the USA, Canada and the United Kingdom, among others, for major macro-economic indicators such as unemployment rate, GDP growth rate and inflation, among others. We have also implemented a country risk index to categorize the study countries of the borrowers based on four pillars of geo-political, sanction lists, economic indicators and socio-educational indicators. Quarterly economic outlook reports for student destinations, along with a country risk index assessing geopolitical and socio-educational risks.
- **Self-Assessment and Control:** A risk and control self-assessment framework evaluates risk event likelihood and impact, enabling effective controls.
- **Risk Appetite and Compliance:** Monthly tracking of more than 40 key risk indicators and routine sample audits for compliance with policy and process norms.
- **Internal Capital Adequacy Assessment Process (ICAAP) and Stress Testing:** Annual internal capital adequacy assessment process exercises and regular stress testing for risks identified as pillar I and pillar II risks as per the standards of the Basel Committee on Banking Supervision.
- **Cybersecurity:** A dedicated information security committee meets quarterly to oversee cybersecurity measures, such as zero trust architecture and incident response strategies.

Technology and Data Analytics

We leverage technology and data analytics across our operations through the following initiatives:

- *Loan Origination System:* We have transitioned to a new loan origination system (“**LOS**”) built in-house to cater to the specific requirements of the education loan market. This LOS has been custom-built, leveraging the experience that we have garnered over the years as a specialized education finance NBFC to cater to our specific requirements, along with those of our borrowers. User journeys on the system have been designed using insights generated through data collected over the years in order to improve their user-friendliness. Its modular and scalable architecture is able to efficiently handle increased volumes and integrate with third-party service providers for verifications and data sourcing. Advanced analytics provide us with actionable borrower insights and predictive capabilities, while automation enables us to optimize system resources. Further, enhanced API integration ensures real-time data exchange, enabling faster loan processing, innovation through third-party connections and drives adaptability for new products. In addition to our LOS, we have also implemented a new loan management system (“**LMS**”) alongside a core financial services solution to enhance loan servicing and to comply with regulatory requirements. Our LMS handles loan servicing, repayment tracking, collections, customer service, and reporting, and is designed to support efficient loan accounting and servicing.
- *Data Lake:* We have implemented a data lake, which serves as a centralized repository, to provide insights into the entire loan lifecycle – from lead generation to disbursement to servicing, along with ancillary data, such as vendor reports, timestamps and associated costs. Our data lake enables real-time data flow, enabling us to perform advanced analytics and use artificial intelligence to discover trends, predict risks and improve our fraud detection capabilities. These insights enable us to offer tailored loan products, optimize our operations and make data-driven decisions, leading to an improved borrower experience.
- *Portfolio Monitoring:* We have developed a machine learning-based early warning signals (“**EWS**”) model that leverages bureau data, internal performance metrics, and macroeconomic indicators to detect high-risk cases or early signs of stress within our portfolio. This model enables us to implement timely corrective actions and strategically prioritize collection efforts, thereby mitigating potential risks. Our EWS model’s risk predictions are integrated with the significant increase in credit risk assessment within our ECL model, ensuring early recognition of impairment losses for financial reporting in compliance with Ind AS standards. Further, we have recently implemented a credit risk scorecard with a logistic regression model for borrowers seeking higher education in the United States. Based on feedback and the further development of this scorecard, we are also focused on using this model in our underwriting processes, as well as to enhance our risk-based pricing model and approach. Through this model, we expect reduced dependency on manual input during the appraisal journey and provide faster and more consistent risk-based decision making. This model will enable us to prioritize loan applications based on their risk and return potential, and optimize our resources and policies accordingly.

Collections

We have an in-house collections team and are assisted by third-party agencies, where required. Through proactive monitoring mechanisms that ensure timely repayments and prevent delinquencies, we have maintained a strong asset quality, with cumulative write-offs since inception aggregating to ₹96.95 million as of March 31, 2025, out of our cumulative disbursements aggregating to ₹537,540.75 million since inception.

We have maintained high collection efficiency rates of 99.07%, 98.87% and 98.88% during the Financial Years 2025, 2024 and 2023, respectively. Further, our Gross Stage 3 Loans for the Financial Years 2025, 2024 and 2023 was 0.19%, 0.08% and 0.17%, respectively.

Well-funded and diversified liability profile with conservative and prudent approach to asset-liability management

We have a well-funded and diversified liability profile which enables us to access a broad spectrum of funding at competitive costs and maintain a high level of liquidity. We follow a conservative approach to asset-liability management, aiming to closely align the tenor of our assets and liabilities. Our loans, i.e., our assets, are offered at variable interest rates and we seek to match our assets and liabilities, to the extent possible, in order to reduce our interest rate risks. We currently have a credit rating of AA+ from CRISIL and AA from CARE and ICRA for our long-term financial instruments. This is the highest among our peers (which are education-focused NBFCs)

and reflective of our strong business model, robust asset quality, and sound capitalization (Source: *Industry Report*). These ratings have been achieved as a standalone entity, subsequent to the change of control of our Company from HDFC Bank Limited to a member of the EQT Group in March 2024.

We have active lending relationships across banks and financial institutions, including public sector banks, private sector banks and foreign banks. The number of our lending relationships has increased from 19 as of March 31, 2023, to 25 as of March 31, 2024, and 29 as of March 31, 2025, reducing our dependence on any single lender or market. We have also diversified our liability mix, with 18.40% of our total borrowings being raised through borrowings outside India. In August 2024, our Company successfully raised its first social loan. Initially set at \$300 million, strong demand from global investors led us to exercise a greenshoe option, increasing the total issue size to \$512 million in October 2024, with participation from 15 international banks. Further, as of March 31, 2025, we were well-diversified in terms of our debt security holders, with 33.22% held by pension funds, 21.98% held by insurance companies, 4.73% held by banks and 29.76% held by mutual funds, with the remaining 10.31% held by other investors. We have also completed our first portfolio sell down transaction of ₹1,034.73 million (which was the amount of loans transferred through direct assignment) in the Financial Year 2025 to further strengthen our funding diversification.

We have prioritized maintaining high levels of liquidity, with liquid investments and cash and cash equivalents increasing from ₹11,100.55 million as of March 31, 2023, to ₹32,493.42 million as of March 31, 2024, and ₹63,826.77 million as of March 31, 2025. As a percentage of our Gross Loans, liquidity increased from 7.26% as of March 31, 2023, to 11.53% as of March 31, 2024, and 15.30% as of March 31, 2025. Additionally, our average cost of borrowings (calculated as finance cost divided by average total borrowings and deposits (as applicable) over a two-year period) was 8.92% for the Financial Year 2025, which was the lowest among education-focused NBFCs in India (Source: *Industry Report*).

We predominantly offer variable interest rate loans linked to our internal benchmark lending rate, which is called the Credila Benchmark Lending Rate (“CBLR”). As of March 31, 2025, 99.31% of our Gross Loans were linked to the CBLR. To manage interest rate risk, we focus on borrowing funds at variable interest rates linked to market benchmarks and as of March 31, 2025, 80.74% of our total borrowings were at variable interest rates. This enables us to reduce our interest rate risk and maintain our spread in changing interest rate scenarios.

We have a robust liquidity framework and funding strategy in place, which enables our borrowing and investment decisions. We monitor our liquidity position on a daily basis and asset-liability mismatch on a monthly basis, and maintain contingency plans and buffers to deal with any unforeseen shocks or stress scenarios. We also adhere to applicable regulatory norms and internal policies on liquidity, capital adequacy, and risk management. As of March 31, 2025, our cumulative asset-liability gap is positive across all duration buckets up to 1 year (in line with regulatory requirement) as well as the 1-3 years duration bucket, reflecting our sufficient cash inflows over various maturity buckets to repay the borrowings and other liabilities. This is achieved by diversifying borrowings across various maturities and maintaining robust liquidity to effectively address liquidity risk.

Our total borrowings increased to ₹388,690.14 million as of March 31, 2025 from ₹260,328.27 million as of March 31, 2024 and ₹136,552.21 million as of March 31, 2023. However, we maintain a judicious debt to equity ratio of 4.47 times as of March 31, 2025, raising capital through a balanced mix of equity and debt instruments. We have raised capital aggregating to ₹55,855.17 million between April 1, 2022 and March 31, 2025, with our Company’s capital-to-risk weighted assets ratio of 21.81% as of March 31, 2025 and 20.45% as of March 31, 2024, as compared to the minimum regulatory requirement of 15%. Accordingly, our debt-to-equity ratio reduced to 4.47 times as of March 31, 2025 from 5.16 times as of March 31, 2024. Furthermore, our liquidity coverage ratio for the quarter ended March 31, 2025, was 343%, as compared to the regulatory requirement of 100%.

Experienced and professional management team backed by reputed board of directors and supported by marquee investors

We have a professional and experienced management team backed by our distinguished board of directors. Our Managing Director and CEO, Arijit Sanyal, has over 21 years of experience in the banking and financial services sectors and was previously the head of strategic planning and new initiatives at erstwhile HDFC Limited. Our KMPs and SMPs have an average work experience of more than 16 years.

Our 12-member board of directors brings together a diverse skill set, including financial, regulatory, operational, and strategic expertise, ensuring a diversity of perspective, leadership and oversight across all facets of our business. We recruit individuals with experience in key areas such as credit evaluation, risk management,

recovery, treasury, technology, finance, human resources, project management, operations, and marketing. This enables us to leverage their specialized knowledge and expertise to support and drive the growth of our business. To foster employee retention and alignment with the long-term success of our Company, we have implemented a structured retention and reward system. The compensation of our Senior Management is aligned with requirements set out by the RBI for KMPs and SMPs, promoting a long-term approach to performance evaluation and reward. Furthermore, a portion of the variable pay for Senior Management is deferred and awarded in the form of equity, reinforcing commitment and support for our Company's long-term growth objectives.

Our institutional shareholders include HDFC Bank Limited and HDFC Life Insurance Company Limited, along with a member of the EQT Group, affiliates of ChrysCapital and Shinhan Bank, a South Korean financial institution. We benefit from their capital sponsorship and professional experience. Their support has been key to our growth and their expertise and guidance have contributed to the formation of a robust capital base, positioning us for continued growth and success in our operations.

Furthermore, our association with the HDFC group for 14 years has shaped our business ethos and governance standards, which are our core principles. Our team currently includes 18 former employees of HDFC, with eight holding senior positions, and five of our 19 vice presidents were also formerly employed at HDFC, reinforcing our commitment to maintaining recognized standards in business conduct and operations.

Our Strategies

Continue to grow our existing business

As we continue to scale our operations, we aim to leverage our growing student borrower base and its evolving needs to strengthen and expand our coverage of universities and courses across countries. Additionally, we continue to explore inorganic growth opportunities to further strengthen our presence in the education ecosystem. Some of our key initiatives to drive growth include:

- *University Relationships:* We plan to strengthen our relationships with overseas universities and enhance brand awareness in India by forming strategic partnerships with institutions offering STEM and MBA programs and conducting joint marketing efforts, including virtual and physical fairs.
- *Domestic Business:* We aim to grow our domestic education loan portfolio by financing undergraduate and postgraduate programs, as well as professional courses offered by leading and emerging educational institutions. We also plan to evaluate and offer customized financial products for foreign university campuses in India and dual-country programs provided by reputed institutions. We also plan to evaluate and consider financing quality educational institutions to complement our existing retail education loan business.
- *International Footprint:* We are committed to expanding our brand presence internationally by opening offices in key markets, with a focus on the United States, Canada, the United Kingdom and the United Arab Emirates. We remain focused on ongoing global policy and macroeconomic shifts and seek to maintain a diversity of target countries within our loan portfolio. Through these offices, we aim to develop new distribution networks and explore new revenue opportunities, particularly for Indian students seeking higher education overseas.
- *Emerging Markets and Opportunities:* We are targeting new markets with high demand for graduate education, particularly in Southeast Asia and other emerging markets in eastern Europe. We aim to leverage our existing sourcing networks through our distribution agents to grow our AUM.
- *Cross-Selling and Other Opportunities:* We plan to introduce additional value-added services and create avenues for revenue generation by developing commercially viable products and services within the student ecosystem, beyond our core lending offerings. This includes deepening our existing revenue streams such as foreign exchange services, insurance and accommodation, subject to the receipt of applicable regulatory licenses and approvals. We also intend to leverage our data analytics capabilities to offer personalized, relevant services aligned with the specific needs of our borrowers such as co-borrower insurance and credit cards, further supporting our long-term growth objectives.
- *Product Portfolio Expansion:* We aim to broaden our offerings by launching new products and propositions tailored to students' needs, including those focused on academic preparation, language proficiency, and

financial aid. As part of our strategy, we intend to review the distribution of Indian students going overseas for different courses, such as master's courses, undergraduate, and MBA programs, and increase our penetration across these domains. Specifically, we are developing risk-adjusted products for undergraduate students (both in India and overseas) and for international MBA programs focused on highly ranked educational institutions. Furthermore, we aim to develop our executive education loan portfolio, offering tailored products for online, residential, and hybrid programs through dedicated relationships with other providers.

Expand and diversify our distribution network

We intend to expand and diversify our distribution network through the following initiatives:

- *Wider Third-Party Distribution Network:* We are actively onboarding new distribution agents to grow our distribution footprint. This expansion will enhance our ability to reach a broader customer base and improve the visibility of our products.
- *Strengthening Existing School and College Tie-Ups:* We are focused on increasing our engagement with schools and colleges across India, particularly engineering colleges and international baccalaureate (IB) schools. This will allow us to reach students earlier in their education journey and increase brand visibility.
- *Scholarship Programs:* We plan to introduce scholarship programs to not only provide financial assistance to students but also serve as a marketing tool to enhance brand recall.
- *Focus Beyond Tier 1 Cities:* Recognizing the concentration of our business in Tier 1 cities, we are increasing efforts to improve awareness and presence in Tier 2 and 3 cities. By connecting with local channels and engaging with local colleges, we aim to expand our market reach and presence in these regions.
- *Digital Acquisition:* With the growing digital penetration in India, particularly among students, we plan to increase our investment in digital acquisition opportunities. While we currently already offer a fully digital loan application process, with enhanced digital lead generation and online journeys, we aim to further widen our reach and improve customer experience.

Leverage technology to optimize, automate and digitize processes

We have made investments to further automate and digitize our student loan ecosystem, derive greater operational efficiencies and enhance customer experience.

- *Sourcing:* We aim to develop a lead assignment algorithm for a better assignment of leads. We aim to design this algorithm to consider the skill set of sales managers based on past closures, queries received during the application process, types of courses and colleges applied, and trends in the education loan market. We expect this model to ensure that the right salesperson is allocated to the right applicant, and to identify the training needs for sales managers to achieve better results. We expect conversions to increase with improved relationship management. Additionally, we are building APIs to integrate our sourcing model with our distribution network, enabling real-time access and updates to further optimize lead management and responsiveness.
- *Credit Risk Scorecard:* We are in the process of recalibrating and enhancing our credit risk scorecard model to utilise data and analytics to score and rank all logged-in applications based on their risk profile. Through this model, we expect reduced dependency on manual input during the appraisal journey and provide faster and more consistent risk-based decision making. This model will enable us to prioritize loan applications based on their risk and return potential, and optimize our resources and policies accordingly. Further, we have focused on developing our credit risk scorecard to factor in behavioural nuances for each of the study locations for which we provide funding. In this regard, we have completed development of our United States-focused credit risk scorecard model and are in the process of developing country-specific scorecards for our loan portfolios based out of the United Kingdom and Canada.
- *Future Earnings Prospects:* To better augment our underwriting assessment as well as better understand and support the career progression and financial stability of our borrowers, we are developing a machine learning model that will leverage data and analytics to estimate the starting salary of our borrowers on completion of

their course of study. We expect this model to help us better project the future earning potential of our borrowers.

- *Automated Decisioning:* We aim to implement an automated approval process to facilitate faster approvals for highly creditworthy applications while also declining applications in a streamlined manner. In this regard, we have also implemented a straight-through-processing rejection (STP-R) system during the Financial Year 2025. This automation will result in faster turnaround time to deliver a superior customer experience, enhance productivity by releasing underwriting bandwidth from processing high credit-worthy applications that do not need manual oversight, and achieve cost savings by automated decision making.
- *Portfolio Sell-down:* We are actively exploring opportunities to diversify our funding sources, expand our product portfolio, and leverage technological advancements in lending. This includes potential arrangements such as direct assignments, securitization and co-lending.
- *Data-driven Collection Management Solution:* We have implemented a data-driven collections analytics platform to improve the efficiency and effectiveness of our collections process. This platform integrates cloud-based telephony, standardized call outcomes, automated payment reminders by SMS or e-mail, and analytics-driven strategies based on customer behaviour, risk profiles, and recovery potential.
- *Generative artificial intelligence-powered Automation:* We are focused on implementing “smart” application form filling and automated document verification, which are aimed at reducing the time and effort required for loan application submission and processing. We have also identified other opportunities to apply generative artificial intelligence across our workflows, such as lead sourcing and management, fraud detection and use cases in support functions.

In addition, we are focusing on developing a range of technology solutions, including a web-based portal for our counsellors and aggregators, a customer relationship management system to manage our borrower journeys, and a mobile application for our borrowers. We are also focused on continuously refining our ECL model and augment our ECL provisions to reflect the shifting risk profile of our portfolio.

Maintaining and further enhancing our liability profile

We aim to strengthen our credit rating and reputation by maintaining adequate capital and liquidity buffers. We also aim to explore new and innovative financing instruments and platforms, such as green bonds, social bonds, and digital platforms, to tap into new sources of funding and align with our sustainability goals. We introduced our social financing framework in August 2024 to issue social bonds to be able to offer financing to generate positive social outcomes.

Furthermore, we are focused on continuing to optimize our financing mix and cost by balancing our reliance on bank borrowings, non-convertible debentures, and other sources of funds, and by taking advantage of market opportunities and interest rate movements.

We also aim to further enhance our treasury and cash management capabilities by improving our forecasting, monitoring, and reporting systems, and by leveraging technology and automation to streamline processes and reduce operational risks.

History of our Company

Our Company was incorporated in 2006 as Credila Financial Services Private Limited. In 2009, HDFC Limited made an initial investment in our Company, and we subsequently became a subsidiary of HDFC Limited in 2010. In 2019, we became a wholly-owned subsidiary of HDFC Limited and converted to a public limited company in the following year. By 2020, our Company crossed ₹100 billion in cumulative disbursements. Between 2020 and 2023, our business grew further, with our net worth crossing ₹24 billion, annual disbursements crossing ₹75 billion and loan book crossing ₹250 billion. HDFC Limited amalgamated into HDFC Bank Limited in June 2023, following which the EQT and ChrysCapital groups collectively acquired an approximately 90% stake in our Company in March 2024. Their stake was later diluted to 81.42%, with Shinhan Bank also acquiring a stake in our Company. Subsequently, our Company’s name was changed to Credila Financial Services Limited in 2024. As of March 31, 2025, our Company has crossed ₹500 billion in cumulative disbursements and our loan book crossed ₹410 billion.

Description of our Business

We are a non-deposit taking NBFC registered with the RBI and classified as a ‘Middle-Layer-NBFC’ under the NBFC Scale Based Regulations, with a focus on education finance and offering loans for higher education to Indian students. Our mission is to empower aspiring students to realize their dreams of higher education, with a vision to transform lives. As of March 31, 2025, all of our loans are retail loans, and 94.65% and 5.35% of our AUM was attributable to students pursuing higher education overseas and in India, respectively.

We primarily provide loans to students pursuing masters’ programs in the STEM domain, MBAs, undergraduate programs, and students enrolled in diploma programs, professional degrees, certificate courses and executive and technical programs. As of March 31, 2025, we provide education loans to Indian students studying in 64 countries (since inception), offering secured and unsecured loans with an average sanction ticket size of ₹3.59 million per loan, loan terms ranging from 10 to 15 years and an average behavioural tenor of six to seven years. Through our loans, we seek to comprehensively cover students’ education costs, such as tuition fees, living expenses, visas, insurance policies, flight tickets, study materials and laptops.

The table below includes a breakdown of our AUM by our students’ study programs’ geography, for the financial years indicated:

Geography	As of March 31,					
	2025		2024		2023	
	Amount (₹ in millions)	% contribution to AUM	Amount (₹ in millions)	% contribution to AUM	Amount (₹ in millions)	% contribution to AUM
United States	215,480.68	51.54	157,371.86	55.83	80,813.69	52.83
United Kingdom	78,767.28	18.84	37,534.05	13.32	15,715.99	10.27
Canada	50,111.89	11.99	43,385.60	15.39	30,550.04	19.97
India	22,388.68	5.35	16,347.59	5.80	11,102.64	7.26
Others [#]	51,355.96	12.28	27,232.88	9.66	14,794.24	9.67
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

[#] Others includes Australia, Germany, Ireland and New Zealand, among others.

Set out below is a breakdown of our AUM by degree for the Financial Years indicated:

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in millions)	% of Gross Loans	Amount (₹ in millions)	% of Gross Loans	Amount (₹ in millions)	% of Gross Loans
Master of Science	288,634.65	69.03	197,895.87	70.21	101,995.43	66.67
MBA and Post Graduate Diploma	47,312.41	11.32	32,463.88	11.52	20,490.43	13.39
Master’s Courses (other than Master of Science)	36,192.08	8.66	18,087.56	6.42	8,436.51	5.52
Bachelor’s Courses	12,156.31	2.91	6,092.52	2.16	4,505.56	2.95
Senior Management Programmes	958.98	0.23	215.09	0.07	210.22	0.14
Others*	32,850.06	7.85	27,117.06	9.61	17,338.45	11.33
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

* Others- include Diploma, Executive, Associate, Doctoral, Certificate & Vocational Training Courses

Value-added services

In addition to our core business of providing higher education loans, we offer a range of value-added services designed to support our borrowers with their broader overseas education needs beyond financing. These services, provided through engagements with third parties, include life, travel and general insurance products, foreign exchange services, domestic savings account services, international checking account facilitation services, U.S. credit card service, assistance with student accommodation, and guaranteed investment certifications. Set out below are details of our revenues from value-added services, for the Financial Years indicated:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income
Commission income	1,810.07	3.83	1,013.67	3.66	223.60	1.65
Origination fees	334.31	0.71	149.54	0.54	54.20	0.40
Other fees	41.37	0.09	26.08	0.09	14.49	0.11

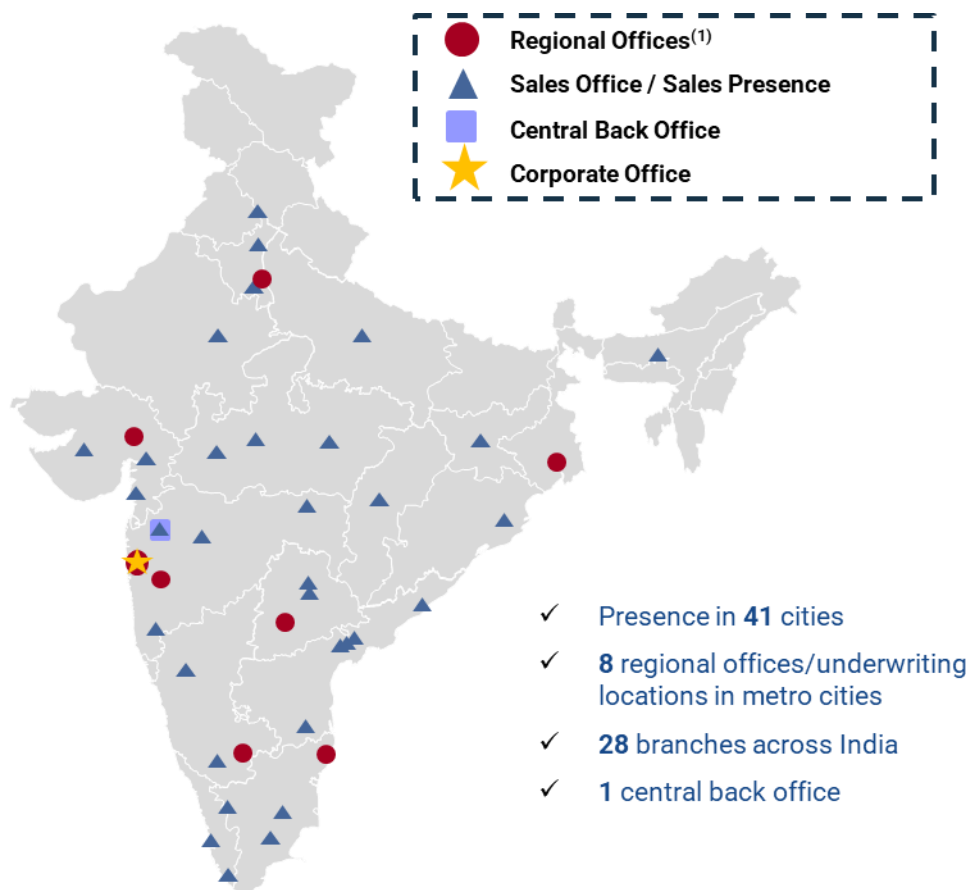
Sourcing, Distribution and Marketing

Sourcing and Distribution

We have a pan-India presence with a large and omni-channel distribution network, enabling us to serve a large and diverse pool of borrowers for education loans. Our distribution network comprises banks and financial institutions, distribution agents, direct channels (including digital leads and referrals) and other sources, which provide funding and referral opportunities to us.

- *Banks and financial institutions:* We have sourcing arrangements with banks in India and leverage their widespread network of branches and customer base to generate leads for us. These referral arrangements allow us to tap into the extensive customer base of these banks. We benefit from the credibility and trust associated with these established financial institutions, which enhances our brand reputation and customer confidence.
- *Distribution agents, direct selling agents and other partners:* As of March 31, 2025, we have a pan-India network of 1,672 distribution agents who augment our existing branch network and provide guidance and assistance to students throughout their overseas education journey. Similarly, as of March 31, 2024 and 2023, we had a network of 1,095 and 909 active distribution agents, respectively (excluding colleges and digital channels). Within our distribution agent network, we work with overseas education consultants, test preparation centers, examination tutoring service providers, direct selling agents and education fair organizers, who have access to a large pool of potential borrowers.
- *Direct channels:* As of March 31, 2025, we had a physical presence in 41 cities with a network comprising eight regional offices, and 32 branches across India, supported by our in-house team of 861 sales employees (on-roll and off-roll). Our physical offices and branches complement and support our online direct distribution channels, where we are able to target borrowers through our marketing initiatives, and who can then complete their loan applications online. Our direct sales teams also conduct regular visits to educational institutions, distribution agents, counsellors and test preparation centres to generate leads and awareness about our offerings.
- *Referrals:* We receive referrals from our existing and past customers, who recommend our products and services to their friends and family. We also receive referrals from our employees, who share leads from their personal and professional networks. We have a customer satisfaction and referral incentive program in place to encourage and reward referrals.

Set out below is a map of our presence across India, as of March 31, 2025:



(1) All regional offices are underwriting locations

Set out below is a breakdown of our disbursements by our sourcing channels for the Financial Years indicated:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in million, except percentages)					
Counsellors and Aggregators ⁽¹⁾	75,648.12	49.41	63,403.88	45.00	28,795.76	36.03
DSAs ⁽²⁾	21,345.61	13.94	14,884.96	10.57	5,669.06	7.09
Direct (In-house / referral)	20,705.25	13.53	28,365.71	20.13	25,498.54	31.91
Banks / Financial Institutions	35,389.61	23.12	34,237.60	24.30	19,954.05	24.97
Total	153,088.59	100.00	140,892.15	100.00	79,917.41	100.00

(3) Counsellors and Aggregators includes education consultants and companies specializing in facilitating student applications and aggregating education loan options.

(4) DSAs includes entities handling multiple financial products, including education loans, across various financial institutions.

Marketing

We engage in a range of targeted initiatives aimed at fostering long-term relationships and expanding distribution reach. We work closely with our distribution agents on joint marketing efforts to attract prospective students, offering tailored marketing campaigns and events designed to increase student awareness and enrolment. These joint marketing initiatives include co-branded promotional materials, webinars, and participation in student fairs, allowing our distribution agents to leverage our service offerings to grow their client base. We also provide distribution agents with tools and resources to help them expand their own networks. This includes training programs, guidance on industry best practices, and access to our digital platforms that streamline loan application processes. We also utilise online channels to enhance our visibility and reach, and collaborate with leading aggregators and social media influencers to increase our online presence. Additionally, we participate in

international education fairs, which are often hosted by universities, distribution agents, and marketing agencies. These fairs provide direct access to prospective students, helping us build brand recognition at key decision-making stages in their overseas education journey.

Credit Assessment

Our credit appraisal process drives high quality originations and portfolio performance. Our products are designed to meet the diverse needs and preferences of our customers, based on the five pillars of credit: student profile, co-borrower profile, proposed course and college/university, proposed country of study, and collateral. We use proprietary data and analytics to evaluate the creditworthiness and repayment capacity of our applicants, taking into account various factors such as:

- *Student credentials*: Prior academic performance and standardized test scores of the student;
- *Future employment outcomes*: Employability assessment and earnings potential of the student based on the chosen course and career path;
- *University and course evaluation*: University ranking and reputation, as well as the reputation of the academic program;
- *Regulatory factors*: Visa and post-study work permit regime, and the socio-political climate of the destination country;
- *Co-borrower profile and income*: Credit history, leverage, and income of the co-borrower, who is usually a parent or a relative of the student; and
- *Collateral or security* offered by the borrower, which can help lower the interest rate and enhance the loan eligibility.

Moreover, to ensure a comprehensive understanding of each applicant, we also conduct a personal discussion as part of our underwriting process. As of March 31, 2025, our credit team comprised 103 professionals, including eight regional credit managers located across major hubs in India. Our regional credit managers, with an average tenure of 10 years with our Company and an average overall experience of 18 years as of March 31, 2025, have significant experience in specialized credit underwriting.

Interest Rates, Fees and Collateral

We predominantly offer variable interest rate loans linked to our benchmark lending rate, which is called the Credila Benchmark Lending Rate (“CBLR”). We also offer some loans on a fixed plus variable interest rate basis, where the interest rate is fixed for the initial period and then converts to a variable rate linked to CBLR. As of March 31, 2025, 0.69% of our Gross Loans were on a fixed rate basis. The CBLR is calculated based on various factors such as our cost of debt, negative carry on liquid investments, operating cost, base risk premium and margin on portfolio. We review and revise the CBLR periodically based on the prevailing market scenario, interest rate outlook, competitors' benchmark rates and our expected cost of borrowings and targeted margin. Any changes in the CBLR are approved by our Finance Committee and communicated to our existing and prospective borrowers through our website and other modes of communication.

We have also adopted risk-based pricing to align loan terms with individual borrower risk profiles. We charge differential rates of interest for our loan products based on a spread over the CBLR, which takes into consideration the factors discussed above and include an assessment of credit and default risk, historical performance of relevant portfolio segments, profile and repayment track record of the borrowers, nature and value of collateral security, the existence of loan collateral, ticket size of the loan, credit bureau score, tenure of loan, location delinquency and collection performance, and borrowers' existing indebtedness. The rate of interest for the same product and tenor availed during the same period by different customers may vary depending upon the consideration of all or a combination of these factors.

We offer flexible repayment options to our customers, such as:

- *Partial interest loans*, where the borrower pays only a part of the interest during the study and an additional 12-month period upon completion of studies, and the rest is added to the principal outstanding at the end of the study period and an additional 12-month period upon completion of studies, to enable the student to find employment. This helps reduce the interest payments required from borrowers during study and the additional 12-month period upon completion of studies and also ensures that we are in contact with the borrower throughout the loan tenure;
- *Credila Education Loans*, which are full interest loans where the borrower pays the entire interest during the study and an additional 12-month period upon completion of studies, and the principal repayment starts after this additional 12-month period upon completion of studies. This gives the borrower the flexibility to service the complete interest and avoid an increase in the principal outstanding at the end of the additional 12-month period upon completion of studies; and
- *Immediate EMI repayment loans*, where the borrower starts paying the principal and interest from the first month of disbursement. This is generally offered for undergraduate programs and medical courses, which have longer durations and larger ticket sizes.

Furthermore, we are the only NBFC in India to be notified as an eligible financial institution for the purpose of Section 80E of the IT Act which allows borrowers to avail benefits of income tax deductions in respect of the interest paid by them on their education loans, subject to certain conditions laid down under the IT Act.

At the time of reset of the CBLR, we offer our borrowers the option to switch over to a fixed rate of interest, subject to certain eligibility criteria and charges. The fixed rate to be offered will depend on various factors including the loan being secured or unsecured, the type of course, the balance tenure of the loan, the existing rate offered to the borrower, the macro-economic scenario and our borrowing mix in terms of fixed and variable interest rate liabilities. The borrower can switch from floating to fixed rate once during the tenure of the loan and vice versa, thus facilitating a total of two such switch options during the loan tenure in accordance with our interest rate policy.

We also offer our borrowers the choice to increase or reduce the Pre-Monthly Installment Interest (“PMII”) or Monthly Installment (“MI”) or tenor or a combination of these at the time of reset of the CBLR, subject to certain parameters and conditions. For example, when the CBLR is reduced, we offer the option to choose between reduction in MI amount or tenor or both for all of our loan repayment options on the date of change. When the CBLR is increased, we offer the option to choose between increase in PMII amount or MI amount or tenor or a combination of these for the same categories of loans. In case of increase in the CBLR, the option to keep the PMII/MI constant is subject to the loan not resulting in negative amortization.

Other fees

Besides interest, we also levy other financial charges such as one time origination fees, cheque/Automated Clearing House (“ACH”) bouncing charges, cheque/ACH swap charges, conversion fee, switching cost from variable interest to fixed interest and vice versa etc., wherever considered necessary. These charges and any changes to these charges are communicated to our borrowers at the time of sanction of the loan and at the time of request for switching. We also collect stamp duty, goods and service tax and other applicable taxes and cess as applicable from time to time at the prevailing rates. We charge penal charges for late payment or default in compliance with applicable RBI guidelines. We also charge prepayment or foreclosure charges for fixed rate loans on the amount of prepayment received. Any deviation in the form of a reduction and/or complete waiver of these charges is to be approved by an authorized Company official, in accordance with our internal policies.

Collateral

As of March 31, 2025, 18.88% of our loans are secured through collateral, such as mortgages over immovable properties and fixed deposits, depending on the loan amount, country of study, and product group matrix. We also facilitate life insurance policies (on a voluntary basis, across our secured and unsecured loans) for our borrowers, to cover the risk of the student’s death during the term of the loan. We do not classify loans where borrowers have obtained life insurance policies as secured. Set out below is a breakdown of our AUM by secured and unsecured loans for the financial years indicated:

Product	For the Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	% of total AUM	Amount (₹ in millions)	% of total AUM	Amount (₹ in millions)	% of total AUM
Secured	78,920.88	18.88	58,797.44	20.86	41,052.06	26.84
Unsecured	339,183.61	81.12	223,074.54	79.14	111,924.54	73.16
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

Monitoring, Collections and Asset Quality

Monitoring

We monitor the credit quality and performance of our loan portfolio on a regular basis, using various parameters and indicators such as delinquency rates, NPAs, ECL, portfolio-at-risk, recovery rates, and write-offs. We also conduct periodic reviews of our credit policies, underwriting criteria, risk models, and portfolio segments to ensure that they are aligned with our business objectives and risk appetite. We use a combination of internal and external data sources, such as credit bureaus, fraud databases, anti-money laundering databases, and macroeconomic forecasts, to assess the creditworthiness of our borrowers and the impact of changing market conditions on our portfolio.

We have developed a machine-learning-based predictive model, referred to as the early warning signals (“EWS”) model, to identify potential high-risk or watchlist accounts within our loan portfolio. This model includes parameters, such as customer behaviour, payment patterns, credit bureau data, macroeconomic indicators, and portfolio trends, to predict the likelihood of an account rolling forward into delinquency in the upcoming payment cycle. Based on these predictions, borrower accounts are classified into specific risk categories, with collection strategies and actions assigned to each category to mitigate potential risks effectively. For further details, see “—Technology” on page 237 for details of our other ongoing technology initiatives to improve our asset quality.

Collections

We have a pan-India in-house collections team (which is assisted by third-party agencies where required) that manages our loan recovery processes from monitoring to legal recovery. We use multiple modes of communication, such as phone calls, emails, SMS, letters, and personal visits, to remind and persuade the borrowers to pay their instalments on time. We also offer various options and solutions, such as rescheduling, moratorium and settlement, to assist borrowers who are facing financial difficulties and/or hardships due to unforeseen circumstances. We leverage the use of analytics to improve our collections process. We have implemented a data-driven collections analytics platform to improve the efficiency and effectiveness of our collections process. This platform integrates cloud-based telephony, standardized call outcomes, automated payment reminders by SMS or e-mail, and analytics-driven strategies based on customer behaviour, risk profiles, and recovery potential.

Details of our collections efficiency, which we compute as current collections divided by current billings, for the Financial Years, are set out below:

Particulars	For the Financial Year		
	2025	2024	2023
Collections efficiency (%)	99.07	98.87	98.88

Asset Quality

We measure and provide for the impairment of our financial assets in accordance with Ind AS 109, which requires us to use an ECL model. The ECL model estimates the present value of all cash shortfalls over the expected life of the financial asset, based on the probability of default, loss given default, and exposure at default. The ECL model also incorporates forward-looking information and scenarios to reflect the impact of macroeconomic factors and uncertainties on our portfolio. We classify our financial assets into three stages, based on the changes in credit risk since initial recognition, and measure the ECL accordingly. Stage 1 assets are assets that have not experienced a significant increase in credit risk and are measured at 12-month ECL. Stage 2 assets are assets that have experienced a significant increase in credit risk and are measured at lifetime ECL. Stage 3 assets are credit-impaired and are also measured at lifetime ECL. We also apply management overlays and adjustments to the ECL model results, to address any known limitations, emerging trends, or risks not captured by the model. We review

and update our ECL model parameters, assumptions, and inputs on a regular basis, to ensure that they reflect the current and expected credit conditions and portfolio behaviour.

On account of our asset monitoring and collections initiatives, we have been able to maintain an Gross Stage 3 Loans (%) of 0.19% as of March 31, 2025, compared to a ratio ranging from 0.26% to 0.52% for other compared education-focused NBFCs (Source: *Industry Report*). The table below sets forth details of our stage-wise AUM as of the dates indicated:

Particulars	As of March 31,		
	2025	2024	2023
	(percentages)		
Gross Stage 3 Loans ⁽¹⁾ (%)	0.19*	0.08	0.17
Net Stage 3 Loans ⁽²⁾ (%)	0.07	0.03	0.10
Provision Coverage Ratio ⁽³⁾ (%)	65.01	54.41	40.40

(1) Gross Stage 3 Loans (%) is computed by dividing the Gross Loans – Stage 3 by Gross Loans as of the end of the relevant year.

(2) Net Stage 3 Loans (%) is computed by dividing the Net Loans – Stage 3 by Gross Loans as of the end of the relevant year. Net Loans – Stage 3 represent Gross Stage 3 loans less impairment loss allowance for Stage 3 loans as of the end of the relevant year.

(3) Provision Coverage Ratio is computed by dividing the impairment loss allowance for Stage 3 loans by Gross Loans – Stage 3 as of the end of the relevant year.

*This includes Total Gross Loans aggregating to ₹169.00 million which were associated with certain fraud cases identified and reported to the RBI during the Financial Year 2025, which have been classified as Gross Stage 3 Loans. Upon excluding this amount, our Gross Stage 3 Loans (%) as of March 31, 2025, would have been 0.15%. Also see “Risk Factors – We depend on the accuracy and completeness of information provided by our borrowers. Any misleading information provided to us by our borrowers or attempt to defraud us may affect our assessment of their credit worthiness, which could have an adverse effect on our business, results of operations, financial condition and cash flows. We have encountered an incident of fraud and misrepresentation by borrowers during the Financial Year 2025 and recognized a write-off of ₹44.80 million and a provision of ₹169.00 million in our statement of profit and loss in this regard” on page 49.

Also see “Selected Statistical Information – Asset Quality” on page 323.

Technology

Our technology strategy is integral to our business model, enabling us to stay competitive, improve our distribution capabilities, optimize costs and improve our customer experience. We leverage technology and data analytics across our operations through a range of ongoing and completed initiatives, which include:

- **Technology Target Operating Model:** We have strengthened our operating model to drive tighter alignment with business objectives and accelerate execution. Engineering and product teams were restructured into cross-functional pods aligned with business functions, enabling improved decision making speed and domain focus. This model is supported by a structured governance mechanism, including quarterly strategic reviews with senior management members, biweekly alignment forums with business leads, and daily stand-up meetings within the technology team.

Another tenet of the operating model is to ensure that we have in-house capability when it comes to core engineering expertise and product development function and supplement them with strategic partners who provide us with scalable support. This has resulted in an expansion of our in-house teams (across engineering, product and infrastructure functions) by approximately 50% (from 31 as of March 31, 2024 to 45 as of March 31, 2025), enhancing our capacity for innovation and delivery.

- **Loan Origination System:** We have transitioned to a new loan origination system (“LOS”) built in-house to cater to the specific requirements of the education loan market. This LOS has been custom-built, leveraging our experience as a specialized education focused NBFC to cater to our specific requirements, along with those of our borrowers. User journeys on the system have been designed using insights generated through data collected over the years in order to improve their user-friendliness. Its modular and scalable architecture is able to efficiently handle increased volumes and integrate with third-party service providers for verifications and data sourcing. Through the implementation of this LOS, we have been able to significantly reduce our prospect-to-sanction and disbursement turnaround times by approximately 30% and 50%, respectively, compared to the previous loan system. The platform has demonstrated strong resilience and scalability, having processed over 91,000 logins, 31,370 sanctions, and 15,000 disbursements aggregating to more than ₹35,000 million in loan value as of April 30, 2025.

Advanced analytics provide us with actionable borrower insights and predictive capabilities, while automation enables us to optimize system resources. Further, enhanced API integration ensures real-time data exchange, enabling faster loan processing, innovation through third-party connections and drives adaptability for new products. In addition to our LOS, we have also implemented a new loan management system (“LMS”) alongside a core financial services solution to enhance loan servicing and to comply with regulatory requirements. Our LMS handles loan servicing, repayment tracking, collections, customer service, and reporting, and is designed to support efficient loan accounting and servicing.

- *Data Lake:* We have implemented a data lake, which serves as a centralized repository to provide insights into the entire loan lifecycle – from lead generation to disbursement to servicing, along with ancillary data, such as vendor reports, timestamps and associated costs. This data lake acts as a centralized repository for all structured and unstructured data across our business in its raw form.

This rich data repository fuels our advanced analytics and artificial intelligence capabilities. Leveraging leading data management tools, our data lake ensures a near real-time flow of data from all source systems. This enables timely insights and empowers tools such as Power BI to deliver up-to-date, actionable reports for enhanced operational efficiency. By offloading this comprehensive dataset into the data lake, we ensure there is no performance burden on production systems, while maintaining the scalability needed for future growth and complexity. Advanced analytics and machine learning algorithms applied to this data uncover trends, patterns, and predictive insights, enabling us to design customized loan solutions, improve risk assessment, and enhance fraud detection.

- *Data Visualization and Insights:* We use Power BI, a business intelligence tool, to transform data into interactive visualizations and reports, connecting to multiple data sources for real-time insights. It helps us monitor performance, identify trends, and forecast outcomes with customizable dashboards and dynamic charts. Power BI enables us to make data-driven decisions, optimize operations, and take proactive actions to drive growth and efficiency.

We are focused on developing and implementing our data and analytics projects, including our credit scorecard, salary prediction, employability projection, early warning signals, lead scoring, and lead assignment models. These models aim to improve our credit underwriting, collections, sourcing, and human resources functions by using data-driven insights, ML and AI techniques. We expect these models to assist us to assess and mitigate credit risk, predict customer outcomes, enhance productivity and tailor our services and support to our customers' needs. For instance, our EWS model helps us identify potential defaults early, allowing for proactive collection actions and more realistic provisioning.

- *Loan Management System and Core Financial Services Solution:* To enhance loan servicing and to comply with regulatory requirements, we have implemented a new LMS alongside a core financial services solution. Our LMS is tailored for efficient loan accounting and servicing, enabling scalable operations as our loan portfolio grows. With real-time loan updates, automated accounting, and instant borrower notifications for repayment schedules and EMI adjustments, our LMS supports seamless, responsive loan management. We expect this transition to streamline servicing costs over time by reducing reliance on modifications to our LOS and improving overall operational efficiency;
- *Other Initiatives:* We use digital channels, such as our website (which we refreshed and launched under the ‘Credila’ name in the Financial Year 2025) and social media platforms, to improve customer engagement and outreach. We use these channels to provide information, guidance and support services to our customers, as well as to enable online loan applications, payments, and servicing. We also use these channels to engage with our customers and to generate leads and referrals.

Our digital transformation efforts are focused on improving our customer satisfaction and engagement. As of March 31, 2025, we employed a total of 45 personnel in our information technology function.

We have a robust IT governance framework, which includes policies and procedures for IT security, IT outsourcing, IT infrastructure, IT audit, and IT disaster recovery, which seeks to align with the RBI Master Directions on Information Technology Governance, Risk, Controls, and Assurance Practices, as amended. We have also implemented a cyber crisis management plan, which outlines the roles and responsibilities, communication channels, and action plans for responding to cyber incidents. Our IT governance framework ensures compliance with regulatory requirements and helps us manage risks effectively, providing a secure environment for our operations and customer data.

We have also constituted an IT Strategy Committee of the Board and two Internal Committees (IT Steering Committee and Information Security Committee), for governance and oversight of the various projects, processes, policies and initiatives related to information technology and information security domains.

Customer Service and Experience

We strive to provide a superior customer experience and service to all our borrowers. We have a wide and diversified distribution network across India, comprising of our own branches, direct sales agents, online channels, and third-party referrals from distribution agents, counsellors, financial institutions and test preparation centres. We maintain regular communication and engagement with our customers during the application, approval and disbursement processes through various modes such as e-mail, SMS, calls, webinars, newsletters and social media. We also conduct financial literacy and career guidance sessions for our customers and prospective students.

We have a dedicated and trained customer service team that handles customer queries, complaints and feedback and provides post-disbursement support to our borrowers through multiple channels, including toll-free numbers and e-mail. In addition to the various digital channels, our customer service executives also meet our walk-in customers at our hub locations. We measure and track customer satisfaction and loyalty through various parameters such as our net promoter score and customer satisfaction score. We also conduct customer surveys and feedback sessions to understand customer needs, preferences and expectations and to identify areas of improvement and innovation.

Customer Complaints

In compliance with the Reserve Bank of India's guidelines on Fair Practices Code for Non-Banking Financial Companies (the “**Fair Practices Code**”), we have adopted a three-tier approach for redressal of customer grievances, as set out below:

Level	Contact Details	Procedures
1	E-mail: support@credila.com	Any customer who is not satisfied with the services rendered by the Company at any time during the life cycle of the education loan, may lodge a complaint by sending an email to support@credila.com mentioning the issue. After examining the matter, the Company is required to respond, attempting to redress the complainant's concerns. If the complainant is not satisfied with the response, they can then approach the Grievance Redressal Officer (Level 2) for redressal of the grievance(s), in connection with any matter pertaining to business practices, lending decisions, credit management, insurance, outsourced agency and recovery.
2	Correspondence marked to the attention of the Grievance Redressal Officer: Ms. Vijayanti Albal Sharma Grievance Redressal Officer Credila Financial Services Limited <i>(Formerly known as HDFC Credila Financial Services Limited)</i> B 301, Citi Point, Next to Kohinoor Continental, Andheri-Kurla Road, Andheri (East), Mumbai 400 059, Maharashtra, India Email: grievance@credila.com Phone: +91 22 50164642	Upon escalation to Level 2, the Grievance Redressal Officer would then, in consultation with senior management officials, oversee the Grievance Redressal Mechanism and aim to redress the complainant's grievances.
3	Correspondence submitted to: Website: https://cms.rbi.org.in Email: crpc@rbi.org.in Contact Centre (toll-free number): 14448 (9:30AM to 5:15PM); or	If the complaint is not redressed by the Grievance Redressal Officer within a period of one month, the customer may further escalate their complaint to the Centralised Receipts and Processing Centre of the Reserve Bank of India through the CMS Portal or electronic or physical modes of communication.

Level	Contact Details	Procedures
	Through physical mode to: “Centralised Receipts and Processing Centre” Reserve Bank of India, 4th Floor Sector 17, Chandigarh 166 017	

In addition to the above, the RBI has established an Internal Ombudsman (“IO”) mechanism to improve the internal grievance redressal system of NBFCs. Accordingly, we have appointed an IO to ensure that borrower grievances are addressed fairly. If grievances are not resolved and borrowers continue to have disputes regarding our business, such disputes are addressed by redirecting the complainants to the RBI Ombudsman, in accordance with the applicable RBI Master Directions.

Our Board of Directors also periodically reviews compliance of the Company’s grievance redressal procedures, in line with applicable RBI guidelines. A consolidated report of such reviews is submitted to the Board at quarterly intervals, together with the IO’s report.

Funding Profile and Treasury Operations

We aim to maintain a well-funded and diversified liability profile, which enables us to access a broad spectrum of funding at competitive costs and maintain a high level of liquidity. We follow a conservative and prudent approach to asset-liability management to ensure that we minimize asset liability mismatch. Our financing requirements have historically been met from several sources, including from proceeds of term loans, commercial paper and non-convertible debentures and external commercial borrowings.

We have active lending relationships across banks and financial institutions, including public sector banks, private sector banks and foreign banks. The number of our lending relationships has increased from 19 as of March 31, 2023, to 25 as of March 31, 2024, and 29 as of March 31, 2025, reducing our dependence on any single lender or market. We have a predominantly floating interest rate liability profile, with 99.31% of our Loans linked to the CBLR and 80.74% of our total borrowings linked to market benchmarks, as of March 31, 2025. This reduces our interest rate risk and allows us to pass on the benefits of lower interest rates to our customers.

We have a robust treasury and liquidity framework which enables our borrowing and investment decisions. We monitor our liquidity position and ALM gaps on a daily, weekly, and monthly basis, and maintain contingency plans and buffers to deal with any unforeseen shocks or stress scenarios. We have implemented a social financing framework in August 2024 to issue social loans and bonds to finance activities and projects that generate positive social outcomes. Our social financing framework has been developed in line with the Social Bond Principles published by the International Capital Markets Association and the Social Loan Principles published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association, and has been assessed by a global rating agency, which has issued a second party opinion on our framework. This framework governs (i) use of proceeds; (ii) process for project evaluation and selection; (iii) management of proceeds; (iv) reporting; and (v) external review.

Set out below are details of our funding profile as of the dates indicated:

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in millions)	% of total borrowings	Amount (₹ in millions)	% of total borrowings	Amount (₹ in millions)	% of total borrowings
Non-convertible Debentures - Secured	39,988.80	10.29	30,631.04	11.77	32,541.84	23.83
Commercial Paper – unsecured	19,374.24	4.98	11,376.36	4.37	2,698.23	1.98
External Commercial Borrowing	71,503.80	18.40	8,229.64	3.16	0.00	0.00
Term Loans from Banks	233,727.00	60.13	184,796.11	70.99	84,629.84	61.97
Term Loans from other parties	3,858.53	0.99	4,456.75	1.71	3,997.52	2.93
Loans repayable on demand from Banks	4,756.00	1.23	4,490.00	1.72	0.00	0.00

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in millions)	% of total borrowings	Amount (₹ in millions)	% of total borrowings	Amount (₹ in millions)	% of total borrowings
Subordinated Liabilities	15,481.77	3.98	16,348.37	6.28	12,684.78	9.29
Total Borrowings	388,690.14	100.00	260,328.27	100.00	136,552.21	100.00
Cost of Quarterly Average Borrowings (%)⁽¹⁾	—	8.85	—	8.63	—	7.81

(1) Cost of Quarterly Average Borrowings is the ratio of finance cost to Average Total Borrowings for the relevant year. Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.

Details of our incremental borrowings from previous dates, as of the dates indicated, are also set out below:

Particulars	As of March 31,		
	2025	2024	2023
	(Incremental borrowings from the previous date, represented in ₹ in millions)		
Non-convertible debentures	15,100.00	—	12,500.00
Commercial paper	33,500.00	37,000.00	19,750.00
Debt securities	48,600.00	37,000.00	32,250.00
Term loans:			
- From Banks	86,800.00	111,140.00	53,550.00
- From Financial Institutions	—	750.00	2,750.00
External Commercial Borrowings (ECB)	62,919.70	8,292.00	—
Cash Credit from Banks	7,506.00	9,240.00	3,300.00
Borrowings (other than Debt Securities)	157,225.70	129,422.00	59,600.00
Subordinated Liabilities	—	3,650.00	6,750.00
Total Borrowings	205,825.70	170,072.00	98,600.00

For further details, see “Financial Indebtedness” on page 471.

Capital Adequacy Ratios

The NBFC Scale Based Regulations currently requires NBFCs such as our Company to maintain a capital to risk (weighted) assets ratio comprising Tier I and Tier II capital of not less than 15% of the aggregate of our risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items. In addition, the Tier I capital of an NBFC (except for certain specified categories of NBFCs) is required to be at least 10%. Further, in order to comply with the principal business criteria (“PBC”) ratio prescribed by the RBI, NBFCs are required to maintain financial assets more than 50% of total assets (netted off by intangible assets) and income from financial assets more than 50% of gross income. Similarly, NBFCs are required to maintain a minimum liquidity coverage ratio (“LCR”) of 50% as on December 1, 2020, which is required to be gradually increased to 100% by December 1, 2024, in accordance with the NBFC Scale Based Regulations.

The following table sets forth our capital risk to asset ratios as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Tier I Capital ⁽¹⁾	91,206.67	53,127.07	25,780.68
Tier II Capital ⁽²⁾	9,756.33	12,341.65	10,287.07
Total Capital	100,963.00	65,468.72	36,067.75
Risk Weighted Assets ⁽³⁾	462,996.76	320,083.12	176,664.69
Capital to Risk Weighted Assets ratio (CRAR) (%) ⁽⁴⁾	21.81	20.45	20.42
Tier I Capital (%)	19.70	16.60	14.60
Tier II Capital (%)	2.11	3.85	5.82

(1) Tier I Capital comprises share capital, share premium, retained earnings including current year profit.

(2) Tier II Capital comprises provision on stage I assets.

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

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

The table below sets forth details of our liquidity coverage ratio as of the dates indicated:

Particulars	As of March 31,		
	2025	2024	2023
	(percentages)		
Liquidity Coverage Ratio ⁽¹⁾ (%)	343	155	108
Minimum Regulatory Requirement (%)	100	85	70

(2) Liquidity Coverage Ratio is the ratio of stock of high quality liquid assets over total net cash outflows over the next 30 calendar days.

The table below sets forth details of our principal business criteria ratio (which is tested on an annual basis), as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(percentages)		
Financial Assets to Total Assets (%) (PBC)	91.24	92.86	96.39
Minimum Regulatory Requirement (%)	>50	>50	>50
Income from financial assets to Total Income (%) (PBC)	96.04	95.71	97.84
Minimum Regulatory Requirement (%)	>50	>50	>50

Note: Principal Business Criteria ("PBC") Ratio is the ratio of financial assets to total assets (netted off by intangible assets) and income from financial assets to the gross income (asset and income pattern).

Particulars	As of March 31,		
	2025	2024	2023
	(percentages)		
Cumulative mismatch as % of cumulative total outflows up to 30 days	492.76	864.48	793.81
Cumulative negative mismatch as % of cumulative total outflows up to 30 days (minimum regulatory requirement)	(20)	(20)	(20)

Note: ALM (Assets Liability Maturity) – For measuring and managing net funding requirements, the use of a maturity buckets and calculation of cumulative surplus or deficit of funds at selected maturity dates is prepared as a standard tool. The Maturity Profile should be used for measuring the future cash flows of NBFCs in different time buckets. Further, within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches upto 30 days bucket shall not exceed 20 percent of the cumulative cash outflows.

Credit Ratings

Our credit ratings are crucial to our business and enable us to obtain funding on commercially viable terms, which contributes to our net interest income and our net interest margins. We currently have a credit rating of AA+ from CRISIL and AA from CARE and ICRA for our long-term financial instruments, which is the highest among our peers (which are education-focused NBFCs) and reflective of our strong business model, robust asset quality and sound capitalization (Source: *Industry Report*). Set out below are details of the changes to our credit ratings from March 31, 2023 to March 31, 2025:

Rating Agency	Instrument	As of March 31,		
		2025	2024	2023
CRISIL Ratings Limited	Commercial paper	CRISIL A1+ / Stable	CRISIL A1+ / Stable	CRISIL A1+ / Stable
	Bank loan	CRISIL AA+ / Stable	-	-
	Non-convertible debentures	CRISIL AA+ / Stable	CRISIL AA+ / Stable	CRISIL AAA / Stable
	Subordinated debt	CRISIL AA+ / Stable	CRISIL AA+ / Stable	CRISIL AAA / Stable
	Perpetual debt instrument	CRISIL AA / Stable	CRISIL AA / Stable	CRISIL AAA / Stable
ICRA Limited	Commercial paper	ICRA A1+ / Stable	ICRA A1+ / Stable	ICRA A1+ / Stable
	Bank loan	ICRA AA / Stable	ICRA AA / Stable	ICRA AAA / Stable
	Non-convertible debentures	ICRA AA / Stable	ICRA AA / Stable	ICRA AAA / Stable
	Subordinated debt	ICRA AA / Stable	ICRA AA / Stable	ICRA AAA / Stable

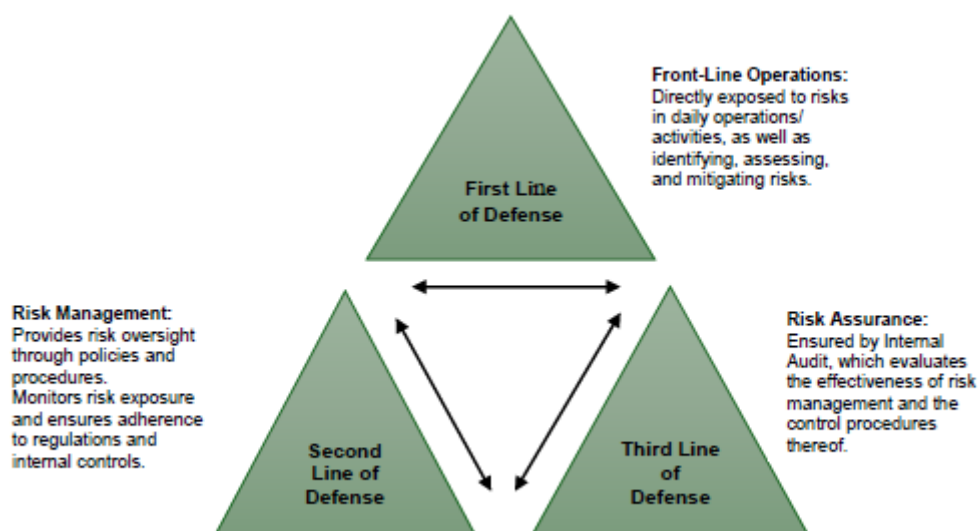
Rating Agency	Instrument	As of March 31,		
		2025	2024	2023
	Perpetual debt instrument	ICRA AA- / Stable	ICRA AA- / Stable	ICRA AA+ / Stable
CARE Ratings Limited	Bank Loans	CARE AA / Stable	CARE AA / Stable	-
	Non-convertible debentures	CARE AA / Stable	CARE AA / Stable	CARE AAA / Stable
	Subordinated debt	CARE AA / Stable	CARE AA / Stable	CARE AAA / Stable
	Perpetual debt instrument	CARE AA- / Stable	CARE AA- / Stable	CARE AAA / Stable

Also see “Risk Factors – We have experienced ratings downgrades in the past and any future downgrades in our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis” on page 51.

Risk Management

We operate in a dynamic and competitive environment that exposes us and our business to various risks. We have adopted a robust and comprehensive risk management framework to identify, assess, mitigate and monitor the various risks arising from our business activities. Our framework covers key enterprise risks, including credit, financial, operational, and information security risks within our risk management team.

Our risk management framework is based on three lines of defense. The first line of defense is our frontline business teams, who are responsible for identifying and managing the risks inherent in their activities. The second line of defense is the risk oversight provided by our risk management function, which sets the risk policies, standards, methodologies and tools, and monitors and reports on the risk profile and performance of the business. The third line of defense is the independent assurance provided by our internal audit function, which evaluates the effectiveness of the risk management framework and the internal control environment.



Risk Governance

Our Board is responsible for the oversight of our risk management framework and the approval of our risk appetite statement, which defines the level and types of risks that we are willing to accept in pursuit of our strategic objectives. Our Board has delegated this authority to the Risk Management Committee (the “RMC”), which comprises independent and non-executive directors, to review and monitor the material and emerging risks faced by our Company and mitigation plans thereof. The RMC meets on a quarterly basis and provides guidance to the management to manage the risks effectively.

The RMC is supported by the Internal Risk Management Committee (“IRMC”), which is a management-level committee chaired by our Chief Risk Officer and comprises senior executives from various functions. The IRMC meets on a quarterly basis and is responsible for implementing our risk policies and strategies and ensuring compliance with our risk appetite statement.

Risk Assessment And Monitoring

We use a variety of tools and techniques to assess and monitor the risks across our business. These include:

- *Portfolio Monitoring:* Regular reviews of credit quality across diverse sub-portfolios (such as study location, underwriting location, co-borrower location, bureau scores, co-borrower leverage, co-borrower income, university rankings, course type, product group, product type and collateral, among others) and analysis of trends and metrics such as 0+ DPDs, 30+ DPDs, NPAs, bounce rates, and ECL provisioning, as well as incremental disbursements.
- *Self-Assessment and Control:* We have implemented a risk and control self-assessment framework to evaluate the likelihood and impact of various risk events and to design appropriate controls and action plans. This framework covers all the key processes and functions of the Company and is conducted on a half-yearly basis by our operational risk team.
- *Macro-Economic and Country Risk Analysis:* We prepare quarterly PESTLE reports to track the macro-economic environment and its implications for our business. Additionally, we also prepare a quarterly economic outlook report which tracks India and the major economies where we fund students, which include the USA, Canada and the United Kingdom, among others, for major macro-economic indicators such as unemployment rate, GDP growth rate and inflation, among others. These reports are prepared by our enterprise risk team and are used to assess the potential impact of external factors on our portfolio performance and business strategy. We have also implemented a country risk index to categorize the study countries of the borrowers based on four pillars of geo-political, sanction lists, economic indicators and socio-educational indicators. This index is used by the credit risk team to risk categorize the countries and is also used as a point of input by our sales and credit teams for their sourcing and approval strategies. We prepare these reports and indices for the internal review of our senior management team, Risk Management Committee and Board of Directors, which form part of the non-financial parameters considered for credit and risk assessment.
- *Risk Appetite and Compliance:* We maintain a risk appetite statement with more than 40 key risk indicators across strategic, financial, operational and reputational risks which is monitored monthly to ensure alignment with overall organizational objectives and risk tolerance levels. The risk appetite statement is reviewed and approved by the RMC on an annual basis and any breaches or deviations are reported and escalated to the relevant committees and the Board.
- *Internal Capital Adequacy Assessment Process (ICAAP) and Stress Testing:* Our risk management team also carries out an annual internal capital adequacy assessment exercise and regular stress testing for financial risks, including interest rate, liquidity and other key pillar I and pillar II risks.
- *Cybersecurity:* Our CISO and cyber security team have formulated and implement our cybersecurity strategies and plans through a variety of projects, such as our network modernization initiatives and regulatory compliance gap assessments. The progress on these projects is reviewed regularly through internal management committees as well as by the information security committee and risk management committee of our Board. A dedicated information security committee meets quarterly to oversee cybersecurity measures, such as zero trust architecture and incident response strategies.

Risk Mitigation

We have implemented various measures and controls to mitigate the risks that we face, which are set out below:

- *Credit risk:* We have implemented a credit risk management process that involves a comprehensive assessment of the borrower's academic performance, course and university selection, co-applicant's income and credit history, and the repayment capacity and intention. We are in the process of implementing a proprietary credit scoring model that leverages our historical performance data and behavioural analytics on our existing borrower base along with rejected applicants for universities across the United Kingdom and Canada to evaluate the creditworthiness of borrowers, having currently implemented such a scorecard model for our United States-based loan portfolio. We also use a product and profile-based pricing mechanism that reflects the risk-adjusted return on each loan. We monitor the portfolio performance on a regular basis and take proactive actions to prevent and recover delinquencies and defaults.

- *Operational risk:* We have implemented a comprehensive operational risk management process that involves identifying, measuring, monitoring and controlling the risks arising from inadequate or failed internal processes, people and systems, or from external events. We have established various policies, procedures, standards and guidelines to ensure compliance with the applicable laws, regulations and best practices. Further, we have also implemented an incident reporting and management framework across our operations, including by way of a whistleblower mechanism.

In addition, we have also implemented a data loss prevention programme to prevent data leakage, data theft and its misuse along with the establishment of various information security controls. We conduct regular audits, reviews and tests to evaluate the effectiveness of the operational risk management framework and the internal control environment. We also have a business continuity management plan that covers the key aspects of crisis management, business recovery and disaster recovery, to ensure the continuity of our critical operations and services in the event of a disruption.

- *Financial risk:* We have implemented a financial risk management process that involves managing the risks arising from fluctuations in interest rates, foreign exchange rates, liquidity and capital adequacy. Our treasury function monitors and manages financial risks on a daily basis and uses various hedging instruments, such as swaps, forwards and options, to mitigate the exposure to interest rate and currency risk. We also maintain a liquidity and capital management policy that ensures that we have sufficient cash and capital resources to meet our obligations and growth plans. We have defined internal limits and ratios for liquidity and capital adequacy that are well above the regulatory requirements. The aforementioned limits are reviewed and monitored by our Asset Liability Management Committee and Risk Management Committee to ensure that our ratios are consistently within limits. Further, our risk management function conducts regular stress testing and scenario analyses of our key financial risks and also conducts independent assessment of key policies such as Contingency Funding Plan (CFP) and Liquidity Risk Management Framework (LRMF) and shares its findings with our treasury function.
- *Information security and cyber risk:* We have undertaken several initiatives in this domain in response to ongoing tech developments and the growing digitalization of our operations. Our information technology systems have been upgraded by enhancing monitoring, detection and defense capabilities to avoid cyber-attacks and data theft. During the Financial Year 2025, we have undertaken network modernization initiatives at nine locations to improve cybersecurity and dispense with obsolete infrastructure. We also implemented security incident detection and response capabilities, aimed at improving our response and recovery time in the event of a cybersecurity incident. With the aim of reducing the scope for cybersecurity attacks on our systems, we have also implemented “zero trust” solutions in our cybersecurity framework. In addition, we maintain cybersecurity insurance to address risks associated with cybersecurity breaches. We also completed a regulatory compliance gap assessment during the Financial Year 2025 and are in the process of implementing an action plan to address such gaps. We believe that our risk management framework enables us to effectively manage the risks that we face and to enhance our resilience and competitiveness in the market.

Intellectual Property

We have one registered trademark, “**CREDILA**”, and two registered word marks, ‘Credila’ and ‘Credila Financial Services’ under the Trademarks Act. Further, our logos “**Credila**” and “**Credila** The Education Loan Specialist” and word mark “Credila - The Education Loan Specialist” are currently in the process of being registered under classes 35 and 36 with the Registrar of Trademarks under the Trademarks Act. For details of intellectual property owned and registered by us, see “*Government and Other Approvals*” on page 485.

Competition

According to the Industry Report, the Gross Enrolment Ratio for higher education (defined as the percentage of students enrolled in tertiary education divided by the total population aged 18-23 who are eligible for tertiary education enrolment after completion of school) for India was 33% during the Calendar Year 2023, as compared to 75%, 77%, 80% and 79% in developed markets such as China, Canada, the United Kingdom and the United States, respectively. This gap, influenced by barriers such as limited access to quality education, financial constraints related to high tuition fees, and socio-economic challenges (such as inadequate awareness of educational opportunities and a lack of support systems for students from lower-income backgrounds), highlights untapped potential in India’s higher education market. Additionally, the widespread English-speaking population

further enhances India's global competitiveness, enabling students to pursue international education and career opportunities effectively. The overseas education market, accounting for approximately 18% of India's education market in the Calendar Year 2024, is expanding more rapidly. This market has been estimated to be ₹3,422 billion in the Calendar Year 2024, and is expected to reach ₹7,500 to ₹8,000 billion by the Calendar Year 2029, reflecting a CAGR of 17-19% between the Calendar Years 2024 to 2029.

Our primary competitors in the education financing market include banks, NBFCs and international education loan companies. We may also face competition from digital fintech lenders. Based on the Industry Report, this includes other education-focused NBFCs, such as Avanse Financial Services Limited (which had an AUM of ₹133,030.47 million as of March 31, 2024, according to the Industry Report) and Auxilo Finserv Private Limited (which had an AUM of ₹28,784.60 million as of March 31, 2024, according to the Industry Report).

For further details, see “*Industry Overview*” on page 170.

Corporate Social Responsibility

We are committed to fostering positive change and recognize the important role of education in shaping the societal landscape. Through purpose driven initiatives, we aim to achieve sustainable business growth in a responsible manner.

We have adopted a corporate social responsibility (“**CSR**”) policy in accordance with the requirements of the Companies Act, pursuant to which we undertake initiatives to positively contribute to the communities in which we participate. Through our CSR efforts, we are focused on improving access to education, healthcare, the empowerment of female children and people with disabilities, and improving water, sanitation and hygiene infrastructure.

We have partnered with 14 non-governmental organizations across nine states in India during the Financial Year 2025 to achieve our CSR objectives, and have also received awards for our contributions to societal welfare. Also see “— *Awards and Achievements*” on page 249. Our initiatives include:

Education

We have partnered with Aseema Charitable Trust, Light of Life Trust, Muktangan Education Trust to promote inclusive and holistic education by enhancing school infrastructure, supporting academic development, and integrating STEM and digital literacy. We work with our partners in urban and rural areas like Igatpuri, Bahraich, Karjat, Mumbai, Hyderabad with the aim of creating equitable learning environments and fostering innovation. With our partners, we have trained 120 teachers to enhance classroom outcomes and education delivery. This has benefited more than 10,000 students across 30 schools, fostering inclusive learning opportunities. We have also supported 15 anganwadis and seven schools in the implementation of solar electrification during the Financial Year 2025.

Healthcare

Our healthcare programs address critical needs, including cancer care, congenital heart defects, vision restoration, and craniofacial deformities. Collaborating with Access Life Foundation, Aishwarya Trust, and INGA Health Foundation, we provide essential medical support, lodging, nutrition and other medical interventions to underserved communities in Mumbai, Chennai, and Bangalore. We have supported over 150 critical surgeries in the Financial Year 2025.

Girl Child Empowerment

We support girls' education, health, and personal development through targeted programs. Partnerships with Seva Sahyog Foundation focus on providing safe spaces, life skills, menstrual hygiene awareness, and career counselling, and personality development training in Pune, empowering girls to reach their potential. During the Financial Year 2025, we have also supported 1,058 adolescent girls through our CSR programs.

Support for Persons with Disabilities (PwD)

We support inclusion by offering specialized education and rehabilitation for children with disabilities. Partnering with Muskan Foundation in Mumbai, we provide therapy, skill development, and support services to help children

lead independent and fulfilling lives.

Set out below are details of our corporate social responsibility expenses during the financial years specified:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	% of total expenses (%)	Amount (₹ in millions)	% of total expenses (%)	Amount (₹ in millions)	% of total expenses (%)
Corporate social responsibility expenses	91.09	0.27	58.41	0.28	44.01	0.45

Sustainability Initiatives

We have implemented a sustainability policy, which is reviewed and monitored by our CSR and Sustainability Committee.

We are committed to offering products to students from every stratum of society to enhance their access to capital for pursuing higher education. We have a diversified mix of borrowers and co-borrowers, which includes female student borrowers and co-borrowers from non-urban areas and economically weaker sections, details of which are set out below as of the dates and for the financial years indicated:

For Non-Urban Borrowers:

Particulars	For the Financial Year					
	2025		2024		2023	
	Number of borrowers	% of total borrowers	Number of borrowers	% of total borrowers	Number of borrowers	% of total borrowers
Non – Urban borrowers*	23,469	48.69	24,879	46.41	12,282	37.18

* Borrowers and co-borrowers residing in Tier 3 towns and cities and beyond in India.

For Economically Weaker Section Borrowers:

Particulars	For the Financial Year					
	2025		2024		2023	
	Number of borrowers	% of total borrowers	Number of borrowers	% of total borrowers	Number of borrowers	% of total borrowers
Economically weaker section co-borrowers*	28,184	57.29	26,170	48.82	14,648	44.34

* Co-borrowers with gross income less than ₹0.8 million per annum.

For Female Borrowers:

Particulars	For the Financial Year					
	2025		2024		2023	
	Number of borrowers	% of total borrowers	Number of borrowers	% of total borrowers	Number of borrowers	% of total borrowers
Number of female borrowers	16,853	34.97	18,341	34.22	11,308	34.23
Female economically weaker section co-borrowers*	9,382	19.47	8,789	16.40	4,832	14.63

* Co-borrowers with gross income less than ₹0.8 million per annum.

Our diversified financing profile enables us to maintain an optimal cost of borrowing resulting in our offering competitive rates to students. We have implemented a social financing framework in August 2024 to issue social loans and bonds to finance activities and projects that generate positive social outcomes. Our social financing framework has been developed in line with the Social Bond Principles published by the International Capital Markets Association and the Social Loan Principles published by the Loan Market Association, Asia Pacific Loan

Market Association and Loan Syndications and Trading Association, and has been assessed by a global ratings agency, which has issued a second party opinion on our framework.

We have implemented initiatives to reduce waste and support local communities and biodiversity through eco-friendly gifting, decarbonizing and transitioning our operations to paper-less and online application processes, conducting plantation drives and managing electronic waste through e-waste recycling initiatives. We made further strides in our digital penetration initiatives and during the Financial Year 2025, we processed loan applications predominantly through our loan systems. Many of our loan processing vendors have also been onboarded on our LOS and requests to them are initiated digitally. In addition, many of our customer documents are now executed through eAgreements, further reducing the use of paper in our business. For secured loan cases, physical property documents are used for security while technical and legal processing is done on scanned PDFs. We have deployed eAgreement and eNACH facilities for all customers with physical agreements and ACH provided to customers on exceptional basis.

Human Resources

We prioritize a culture of inclusivity and employee development, focusing on wellness, fairness, and open communication. Our employee initiatives focus on career development and include regulatory training, professional growth and wellness programs. Our ‘Credila Excellence Awards’ celebrate exceptional employee contributions and our employee wellness programs promote mental and physical health through yoga, guided meditation and financial literacy sessions. Additionally, our campus engagement efforts target talent from premier institutions across India, supporting recruitment and fostering leadership development through tailored programs for first-time managers. We actively engage employees through regional sports events, fostering camaraderie and team spirit, and through initiatives where employees participate in environmental, educational, and healthcare programs. Leadership engagement is promoted through fireside discussions, facilitating transparent and meaningful communication across the organization.

We are committed to developing and managing our talent workforce. We have implemented an employee medical coverage policy, an equal opportunities policy covering persons with disabilities and diversity and an equity and inclusion (DEI) policy covering our commitment to inclusivity. As of March 31, 2025, 29% of our managerial employees (i.e., employees with a designation of Vice President or above) were women.

Further, during the Financial Year 2025, we organized 2,178.5 training hours for compliance areas of focus, such as anti-money laundering and know-your-customer norms. During this Financial Year, we also organized training covering areas such as customer engagement, communication, and functional aspects of our business.

We provide employee stock options to select eligible employees under our employee stock option plans, alongside other performance-based incentives. Frontline sales employees, including sales executives, sales managers, and cluster managers, are eligible for monthly or quarterly incentives based on our sales incentive scheme and assigned targets. Similarly, frontline collections team members are eligible for quarterly incentives under our collections incentive scheme, aligned with other performance metrics.

As of March 31, 2025, we had 743 full-time employees on our payroll, with an additional 735 personnel employed through contractual arrangements. The table below sets out a breakdown of our full-time employees by function as of March 31, 2025:

Function	Number of full-time employees
Administration	2
Operations	75
Business Development	31
Loan Management Services	18
Collections	33
Credit	103
Customer Service	49
Finance, Accounts & Treasury	23
Grievance	3
Human Resources & CSR	11
Internal Audit	9
Legal	8
Managing Director's Office	8
Risk	16

Function	Number of full-time employees
Sales	299
Secretarial and Compliance	8
Senior Management	2
Technology	45
Total	743

The table below sets out our employee attrition rate (calculated as total employees who left the organization in the relevant period divided by average number of employees (average of closing headcounts of employees for the all the months in the relevant year)) during the Financial Years 2025, 2024 and 2023:

Particulars	Financial Year		
	2025	2024	2023
Employee attrition rate (%)	13.73%	18.95%	15.10%

Insurance

We have obtained insurance policies that we believe are customary for our industry. The principal types of coverage under our insurance policies are against losses resulting from fire, burglary and cybersecurity breaches. We also maintain insurance policies for directors' and officers' liability. In addition, we provide our employees with insurance benefits such as personal accident coverage, group medical insurance for themselves and their dependants and life insurance coverage. Our insurance policies are subject to customary exclusions and deductibles. We believe that the existing level of insurance we maintain is appropriate for the risks faced by our business.

The table below sets out details of our insurance coverage, written-down value of fixed assets and the percentage of insurance coverage of written down value of fixed assets as of the dates indicated:

Particulars	Financial Year		
	2025	2024	2023
Insurance coverage (₹ in million)	167.55	113.18	67.26
Gross value of assets (₹ in million)*	266.04	138.72	117.87
Percentage of insurance coverage of gross value of fixed assets (%)	62.98	81.59	57.07

* Gross value of assets include leasehold improvements, computers, office equipment, furniture and vehicles.

Awards and Achievements

Set out below are details of the key awards, accreditations, certifications and recognition received by our Company:

Calendar Year	Award/Recognition
2025	Recognized as the winner in the "Rising Star in CSR" category at the 13 th Corporate Social Responsibility Summit & Awards 2025, hosted by UBS Forums
	Awarded the 'Best Social Loan – Education' by The Asset Triple A Awards for Sustainable Finance 2025
2024	Won the "Innovation in Digital Lending" award at NBFC100 leader of excellence awards organised by Elets Technomedia & Elets.
	Recognized as the Best Mid-sized NBFC at the Mint BFSI Awards 2024.
2023	Awarded 'Best Newcomer to CSR' by at the best CSR practices awards organised by CMO Asia Pacific.
	Awarded as the winner under "Large impact transforming lives through education" by India ESG Summit 2023 held by India CSR.
2022	Conferred with the "Gold" Award at the CSR Times Awards organised by the CSR Times.
	Conferred with the 'Silver' award at the CSR Awards organised by the CSR Times.
	Awarded 'Runner-up 2' for excellence in supporting education and skill at CSR & sustainability summit & awards for 2022 organised by ASSOCHAM.

Properties

Our Registered Office is located at B – 301, Citi Point, Next to Kohinoor Continental, Andheri- Kurla Road, Andheri (East), Mumbai 400 059, Maharashtra, India and our Corporate Office is located at 701, Windsor House

CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra, India. Both our Registered Office and Corporate Office are held on a leasehold basis.

In addition, as of March 31, 2025, we have leased 32 branch properties across India. The period for which we lease our branches typically ranges from one to nine years, and rental amounts are typically payable on the basis of prevailing market rates depending on the geographical location of the property. None of our lease arrangements have been entered into with related parties.

Particulars	Tenure of lease	Validity period of lease
Registered Office	3 years	May 1, 2025 to April 30, 2028
Corporate Office	5 years	July 10, 2023 to July 9, 2028

The lease agreements in relation to our Registered Office and Corporate Office have been registered and are adequately stamped and such lease transactions have been entered into on an arm's length basis.

KEY REGULATIONS AND POLICIES

Given below is a summary of certain sector specific key laws and regulations in India, which are applicable to our Company. The information detailed in this section has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. For details regarding the registrations and approvals obtained by our Company under applicable laws and regulations see, “Government and other Approvals” on page 485.

1. Key Regulations Applicable to our Company

The Reserve Bank of India Act, 1934 as amended (the “RBI Act”)

The Reserve Bank of India (“RBI”) is entrusted with the responsibility of regulating and supervising NBFCs by virtue of powers vested in Chapter IIIB of the RBI Act. The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A company categorized as an NBFC is required to have a net owned fund of such amount as the RBI may, by notification in the Official Gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC.

Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. 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 Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended (“NBFC Scale Based Regulations”)

The NBFC Scale Based Regulations categorized all NBFCs, into the following layers:

- (i) NBFC- Base Layer (“NBFC-BL”) comprising non-deposit taking NBFCs with an asset size of less than ₹1,000 crore; and (b) NBFCs undertaking the following activities - (i) NBFC-peer to peer lending platform, (ii) NBFC-account aggregator, (iii) Non-operative financial holding company and (iv) NBFC not availing public funds and not having any customer interface.
- (ii) NBFC-Middle Layer (“NBFC-ML”) comprising (a) all deposit taking NBFCs, irrespective of asset size; (b) non-deposit taking NBFCs with asset size of ₹1,000 crore and above; and (c) NBFCs undertaking the following activities - (i) Standalone primary dealer, (ii) Infrastructure debt fund-NBFC, (iii) Core investment company, (iv) Housing finance company (“HFC”) and (v) NBFC-infrastructure finance company.
- (iii) NBFC- Upper Layer (“NBFC-UL”) consisting of NBFCs that are specifically identified by the RBI as warranting enhanced regulatory requirement.
- (iv) NBFC-Top Layer (“NBFC-TL”) remain empty unless the RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the upper layer. Subsequently, such NBFC will move to the top layer from the upper layer.

References to systemically important non-deposit taking NBFC (“NBFC-ND-SI”) shall mean NBFC-ML or NBFC-UL, as applicable. Under the NBFC Scale Based Regulations, all regulations applicable to an NBFC-BL are also applicable to an NBFC-ML, unless specified otherwise.

Corporate governance

Constitution of committees

As an NBFC-ML, we are required to constitute the committees disclosed below:

- (i) **Audit committee:** An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013 shall be the audit committee for the purposes of the NBFC Scale Based Regulations as well, and its powers and functions shall be as provided under Section 177 of the Companies Act, 2013.
- (ii) **Nomination and remuneration committee:** NBFCs are required to constitute a nomination and remuneration committee to ensure 'fit and proper' status of proposed or existing directors, which shall have the same constitution, powers, functions and duties as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act, 2013.
- (iii) **Risk management committee:** NBFCs are required to constitute a risk management committee for evaluating the overall risks faced by the NBFC including liquidity risk.
- (iv) **Asset-liability management committee:** Non-deposit taking NBFCs are required to constitute an asset liability management committee and is responsible for ensuring adherence to risk tolerance/ limits set by the board of directors as well as implementing the liquidity risk management strategy. The asset liability management committee is required to be headed by the chief executive officer/ managing director or the executive director of such NBFC, as prescribed under the guidelines on liquidity risk management framework in the NBFC Scale Based Regulations.

Certain additional corporate governance requirements applicable to all NBFC-MLs pursuant to the NBFC Scale Based Regulations include:

- Key managerial personnel of such NBFCs are prohibited from holding office in any other NBFC-ML or NBFC-UL. However, such key managerial personnel can continue as a director on the board of directors of a subsidiary of such NBFC.
- Independent directors on board of such NBFCs are prohibited from being appointed on the board of directors of more than three NBFCs (NBFC-ML or NBFC-ULs) at the same time.
- Such NBFCs are required to adopt a board approved compensation policy. The policy shall at minimum include (i) constitution of a Remuneration Committee, (ii) principles for fixed/variable pay structures, and (iii) malus/clawback provisions.
- Appointment of a chief risk officer (applicable for NBFC-ML with asset size of more than ₹5,000 crore) who shall be responsible for identification, measurement and mitigation of risks. Further, the chief risk officer is required to act independently and shall have direct reporting lines to the managing director and chief executive officer/risk management committee of the board.

Further, all NBFCs are required to have at least one director who has work experience in a bank or an NBFC.

Fit and proper criteria for directors

Applicable NBFCs are required to (a) maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the NBFC Scale Based Regulations; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the NBFC Scale Based Regulations; (c) obtain a deed of covenant signed by directors, in the format prescribed under the NBFC Scale Based Regulations; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the applicable NBFCs that fit and proper criteria in selection of the directors has been followed. The statement must be submitted to the regional office of the Department of Non-Banking Supervision of the RBI where the applicable NBFC is registered, within 15 days of the close of the respective quarter. The statement submitted for the quarter ending March 31, is required to be certified by the auditors.

Disclosure and transparency

Applicable NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following:

- (i) progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned applicable NBFC; and
- (ii) conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

NBFCs are required to disclose the following in their annual financial statements:

- (i) registration/licence/authorisation obtained from other financial sector regulators;
- (ii) ratings assigned by credit rating agencies and migration of ratings during the year;
- (iii) penalties, if any, levied by any regulator;
- (iv) information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
- (v) asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the NBFC Scale Based Regulations.

Additionally, the NBFCs shall comply with the following disclosure requirements in the format included in the NBFC Scale Based Regulations:

- (i) composition of the Board;
- (ii) committees of the Board and their composition;
- (iii) general body meetings;
- (iv) details of non-compliance with the requirements of the Companies Act, 2013;
- (v) details of penalties and strictures;
- (vi) breach of covenants; and
- (vii) divergence in asset classification and provisioning.

NBFCs are also required to disclose the following in their balance sheet: (i) capital to risk assets ratio; (ii) exposure to real estate sector (direct and indirect); and (iii) maturity pattern of assets and liabilities. Further, NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.

Acquisition or transfer of control

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. NBFCs are required to continue informing the RBI regarding any change in their directors or management regardless of their application for prior written permissions.

Prudential norms

All NBFCs are required to maintain capital adequacy ratio consisting of Tier – I and Tier – II capital which shall not be less than 15% of the NBFC’s aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier – I capital in respect of applicable NBFCs, at any point of time, shall not be less than 10%.

NBFCs risk exposure to a single party or a single group of parties is also kept under control through ceiling limits on NBFCs investment and lending capacity to single party or a single group of parties. NBFCs shall not have exposure (credit/investment taken together) of more than 25% of their Tier 1 capital to a single party and more than 40% of their Tier 1 capital to a single group of parties. The NBFCs are also mandated to formulate a policy for managing the exposure risk to single party/ single group of parties.

Liquidity Risk Management Framework and Liquidity Coverage Ratio

Liquidity risk management framework

Non-deposit taking NBFCs with an asset size of ₹100 crores and above, as per their last audited balance sheet, and all deposit taking NBFCs are required to adhere to the liquidity risk management framework prescribed under the NBFC Scale Based Regulations. 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, funding strategies, prudential limits, system for measuring, assessing and reporting/reviewing liquidity, framework for stress testing, liquidity planning under alternative scenarios/formal contingent funding plan, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

Liquidity coverage ratio

All non-deposit taking NBFCs with an asset size of more than ₹5,000 crore and all deposit taking NBFCs irrespective of their asset size are required to adhere to the guidelines on liquidity coverage ratio under the NBFC Scale Based Regulations. All non-deposit taking NBFCs with asset size of ₹10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high quality liquid asset to survive any acute liquidity stress scenario lasting for 30 days. The stock of high quality liquid asset to be maintained by the NBFCs is required to be a minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement is binding on NBFCs from December 1, 2020 with the minimum high quality liquid assets to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024, in accordance with the timeline prescribed below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio (%)	50	60	70	85	100

All non-deposit taking NBFCs with asset size of ₹5,000 crore and above but less than ₹10,000 crore are required to also maintain the required level of liquidity coverage ratio in accordance with the timeline given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio (%)	30	50	60	85	100

Asset classification and provisioning norms

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

Asset classification

- (i) a “standard asset” means the asset in respect of which no default in repayment of principal or

payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

- (ii) a “sub-standard asset” means (a) an asset which has been classified as non-performing asset for a period not exceeding 12 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the NBFC Scale Based Direction.
- (iii) a “doubtful asset” means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 12 months.
- (iv) a “loss asset” means (a) an asset which has been identified as loss asset by an applicable NBFC or its internal or external auditor or by the RBI 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” means: (a) an asset for which interest has remained overdue for a period of more than 90 days; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than 90 days or on which interest amount remained overdue for a period of more than 90 days; (c) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of more than 90 days; (d) a bill which remains overdue for a period of 90 days or more; (e) the interest in respect of a debt or the income on receivables under the head ‘other current assets’ in the nature of short term loans/advances, which facility remained overdue for a period of more than 90 days; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 90 days; (g) the lease rental and hire purchase instalment, which has become overdue for a period of more than 90 days; and (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 is required to classify each such account on the basis of its record of recovery.

Provisioning norms

NBFCs covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 are required to comply with Ind AS for the preparation of their financial statements. In addition to provisioning norms under applicable accounting standards (Ind AS) and the NBFC Scale Based Regulations, all applicable NBFCs are required to, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation 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:

S. No.	Provisioning Requirement	
1.	Loans, advances and other credit facilities including bills purchased and discounted	
	(i) Loss Assets	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.
	(ii) Doubtful Assets	<p>(a) 100% provision to the extent to which the advance 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.</p> <p>(b) In addition to (a) above, depending upon the period for which the asset has</p>

S. No.	Provisioning Requirement										
		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>Percentage 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>	Period for which the asset has been considered as doubtful	Percentage of provision	Up to one year	20%	One to three years	30%	More than three years	50%	
Period for which the asset has been considered as doubtful	Percentage of provision										
Up to one year	20%										
One to three years	30%										
More than three years	50%										
	Sub-standard Assets	A general provision of 10% of total outstanding is to be made.									

Prudential floor for expected credit loss

NBFC-MLs are required to hold impairment allowances as required under Ind AS. In parallel, NBFC-MLs are required to maintain the asset classification and compute provisions in accordance with the prudential norms on 'Income Recognition, Asset Classification and Provisioning ("IRACP") including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, non-performing assets ageing etc. In case, impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Standard asset provisioning

All NBFC-BLs are required to make provisions for standard assets at 0.25% of the outstanding, which shall not be reckoned for arriving at the net NPAs. NBFC-MLs are required to make provisions for standard assets of 0.40% of the outstanding, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as 'contingent provisions against standard assets' in the balance sheet of the applicable NBFCs.

Balance sheet disclosures

- (i) Applicable NBFCs are required to separately disclose in their financial statements the provisions made, as prescribed under the NBFC Scale Based Regulations, without netting them from income or against the value of assets.
- (ii) The provisions are to be distinctly indicated under separate heads of account as:
 - (a) provisions for bad and doubtful debts; and
 - (b) provisions for depreciation in investments.
- (iii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the applicable NBFC.
- (iv) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.
- (v) Additionally, applicable NBFCs are required to disclose: (a) exposures including to real estate sector, capital markets, sectoral, intra-group, etc.; (b) related party disclosure; and (c) disclosure of complaints.

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. Board of directors of NBFCs are required to lay out appropriate internal principles and procedures in determining interest rates and processing and other charges. In this regard, the guidelines indicated in the fair practices code about transparency in respect of terms and conditions of the loans are to be kept in view.

Accounting standards

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by NBFCs insofar as they are not inconsistent with any of the provisions of the NBFC Scale Based Regulations. NBFCs that are required to implement Indian Accounting Standards (“**Ind AS**”) as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and are required to comply with the regulatory guidance specified in annexure to the NBFC Scale Based Regulations. Disclosure requirements for notes to accounts specified in NBFC Scale Based Regulations shall continue to apply.

Fair practices code

The NBFC Scale Based Regulations provide that, all applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the NBFC Scale Based Regulations. The NBFC Scale Based Regulations stipulate that such fair practices code should cover, *inter alia*, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The NBFC Scale Based Regulations 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.

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. However, this will not affect the normal procedures for compounding of interest in the loan account.

The NBFC Scale Based Regulations prohibit regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a Board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan or product category. Further, it also provides that the penal charges in case of loans sanctioned to ‘individual borrowers, for purposes other than business’, shall not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions. In addition to being displayed on the NBFCs’ website, the quantum and reasons for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and the key fact statement.

Key Fact Statements (“KFS”)

By way of a circular dated April 15, 2024 (“**RBI KFS Circular**”), the RBI has mandated all NBFCs to provide a KFS to all its customers before executing loan agreements. This requirement aims to enhance transparency and disclosure by regulated entities in the pricing of loans and other related charges. The KFS must include comprehensive information about the loan, including inter alia the all-in cost, fees, charges, contingent charges, and instalment details, among others. Unlike the previous regime which prescribed scheduled commercial banks (providing loans to individual borrowers) and all regulated entities to mandatorily furnish a KFS to their customers, the RBI KFS Circular now extends this requirement to all retail and MSME loans extended by regulated entities as well.

Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans dated September 13, 2023

The NBFC Scale Based Regulations mandates the regulated entities to release of all original movable or immovable property documents to the borrower and remove charges registered with any registry within a period of 30 days after full repayment or settlement of loan account. Further, in case of delay in releasing of original movable or immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment or settlement of loan, the regulated entity shall communicate to the borrower reasons for such delay and in case where the delay is attributable to the regulated entity, it is required to compensate the borrower at the rate of ₹ 5,000 for each day of delay.

Reset of floating interest rate on equated monthly instalments (“EMI”) based personal loans

At the time of sanction of EMI based floating rate personal loans, regulated entities (including NBFCs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom is available for elongating the tenor or increasing the EMI. In order to address consumer grievances related to elongation of loan tenor or increases in the EMI amount, the notification requires NBFCs to put in place appropriate policy frameworks to meet the following requirements:

- (i) at the time of sanction, clearly communicating to the borrowers about the possible impact of change in interest rate on the loan that can lead to changes in the EMI and/or the tenor. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.
- (ii) at the time of the reset of interest rates, providing the option to the borrowers to switch over to a fixed rate as per their Board approved policy;
- (iii) all applicable charges for switching of loan from floating to fixed rate and any other service charges or administrative costs shall be transparently disclosed in the sanction letter;
- (iv) ensuring that the elongation of tenor for floating rate loans do not result in negative amortization;
- (v) sharing a statement at the end of each quarter that enumerates the principal and interest recovered till date, the EMI amount, the number of EMIs left and the annualized rate of interest/ annual percentage rate for the entire tenor of the loan.

Credit concentration norms

NBFCs are required to review extant sectoral exposure limits approved by the board of directors with respect to subsegments under consumer credit, in particular for all unsecured consumer credit exposures. The risk management committee on an ongoing basis is required to monitor and ensure strict adherence to the limits so fixed.

To reduce regulatory concerns of NBFCs making investments in units of Alternate Investment Funds (AIFs), it has been advised as under:

- (i) NBFCs shall not make investments in any scheme of AIFs which have downstream investments either directly or indirectly in their debtor company where debtor company shall mean any company to which NBFCs currently have or previously had loans or investment exposure.
- (ii) If NBFCs are already investors in AIF schemes, they shall liquidate their investments in the scheme within 30 days of such downstream investment by the AIFs.

- (iii) In case NBFCs are not able to liquidate their investments within the prescribed 30-day time limit, they shall make 100 percent provision on such investments.
- (iv) Any investments by an NBFC in the subordinated units of any AIF scheme with a priority distribution model shall be subject to full deduction from capital funds of the NBFC.

Internal Capital Adequacy Assessment Process (ICAAP)

Under the NBFC Scale Based Regulations, NBFCs-ML are required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. The internal assessment shall be on similar lines as ICAAP prescribed for commercial banks under Pillar 2 (Master Circular – Basel III Capital Regulations dated May 12, 2023, as amended from time to time). While Pillar 2 capital will not be insisted upon, however, NBFCs are required to make a realistic assessment of risks. Internal capital assessment shall factor in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally. The methodology for internal assessment of capital shall be proportionate to the scale and complexity of operations as per the NBFCs board approved policy. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business as also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing of the risks.

Declaration of dividend

The NBFC Scale Based Regulations intend to infuse greater transparency and uniformity in practice of distribution of dividends by setting eligibility criteria and disclosure requirements for NBFCs for distribution of dividends. According to the NBFC Scale Based Regulations, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) minimum capital requirements (including leverage ratio wherever applicable) prescribed in each of the last three financial years including the financial year for which the dividend is proposed; (ii) the net NPA ratio shall be less than six percent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared (iii) compliance with provisions of Section 45IC of the RBI Act; and (iv) continuous general compliance with RBI regulations and guidelines concerning NBFCs. The NBFC Scale Based Regulations also prescribe to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors, such as, (i) supervisory findings of the RBI on divergence in classification and provisioning of NPAs, (ii) qualifications in the auditors' report to the financial statements and (iii) long term growth plans of the NBFC. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the NBFC Scale Based Regulations.

Instructions on managing risks and code of conduct in outsourcing of financial services by NBFCs

The NBFC Scale Based Regulations specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the NBFC Scale Based Regulations is required to formulate an outsourcing policy which is to be approved by its board of directors.

Integrated ombudsman scheme, 2021

The NBFC Scale Based Regulations specify that all NBFCs covered under the Integrated Ombudsman Scheme, 2021 ("**Scheme**"), must comply with the directions provided under the Scheme. Pursuant to its notification dated November 12, 2021, the RBI had integrated the Banking Ombudsman Scheme, 2006, the Ombudsman Scheme for Non-Banking Financial Companies, 2018 and the Ombudsman Scheme for Digital Transactions, 2019 into the Integrated Ombudsman Scheme, 2021. The 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 NBFC Scale Based Regulations also specify that pursuant to RBI's circular on Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023, all applicable NBFCs shall appoint an Internal Ombudsman and shall adhere to the corresponding guidelines.

Prevention of Money Laundering Act, 2002 (“PMLA”)

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation of records and reporting of transactions.

Master Direction –Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 (“SSA Directions”)

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. The RBI, to regulate the issuance of securitisations, introduced the SSA Directions to be applicable to all Scheduled Commercial Banks (including Small Finance Banks but excluding Regional Rural Banks), all All-India Term Financial Institution and all NBFCs (including HFCs). These directions enunciated the assets which were eligible for securitisation and provided for skin-in-the-game requirements by way of specifying minimum retention requirement(s) for any lender who transfers from its balance sheet a single asset or a pool of assets to a special purpose entity as a part of a securitisation transaction and would include other entities of the consolidated group to which the lender belongs.

Master Direction (Know Your Customer) Directions, 2016 dated February 25, 2016, as amended (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) co- operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non- banking companies, residuary non-banking companies, and asset reconstruction companies, amongst others. 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 policies and procedures; and submission of quarterly audit notes and compliance to the audit committee of the board of directors of the regulated entity.

Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 (“CIR Master Directions”) dated January 6, 2025

The Reserve Bank of India issued CIR Master Directions the consolidating and streamlining the instructions previously issued to reporting entities concerning the reporting of credit information. The CIR Master Directions aims to establish a standardized framework for the reporting and dissemination of credit information, safeguard the confidentiality and security of sensitive credit data, and provide mechanisms for consumer access to credit information along with an effective grievance redressal process for matters related to credit reporting. All Credit Institutions (“CIs”), such as banks and NBFCs, must become members of all Credit Information Companies (“CICs”). CIs must submit credit data to CICs on a regular basis, ideally fortnightly, with updates provided by the 7th calendar day of the subsequent reporting period.

Master Direction - Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 dated January 3, 2024

The Reserve Bank of India, through its notification No. RBI/FMRD/2023-24/109 FMRD.DIRD.09/14.02.001/2023-24 dated January 3, 2024, has issued the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 (“**Commercial Paper Master Directions**”). This directive is applicable to all market participants dealing in commercial papers and/or non-convertible debentures of original or

initial maturity up to one year and is effective from April 1, 2024. The Commercial Paper Master Directions consolidates and updates the regulatory framework governing the issuance and conduct of commercial papers and the aforementioned non-convertible debentures following a comprehensive review based on market feedback. The commercial papers and non-convertible debentures shall now be compulsorily required to be issued in dematerialized form in minimum denomination of ₹ 0.5 million and in multiples of ₹ 0.5 million thereafter. Funds raised through commercial papers and non-convertible debentures must be ordinarily used to finance current assets and operating expenses and be disclosed in the offer letter for these instruments.

The Commercial Paper Master Directions have inter alia stipulated the eligibility criteria for issuers and investors and other issuance and investment conditions as well as reporting requirements for such issuances. RBI has highlighted the need for issuers to adhere to specified standards including credit rating minimums, disclosure norms and end-use restrictions, to enhance transparency and investor protection in these markets. Additionally, the Commercial Paper Master Directions also outlines the roles and responsibilities of intermediaries including issuing and paying agents, debenture trustees, and credit rating agencies to ensure compliance and maintain market integrity.

RBI circular on Compliance Function and Role of Chief Compliance Officer –NBFCs dated April 11, 2022

In terms of the abovementioned circular, which is applicable to NBFCs in the upper layer and middle layer, the applicable entities are required to inter alia put in place a board approved policy and a compliance function, including the appointment of a chief compliance officer, based on the framework stipulated in the said circular. As per the circular, the chief compliance officer shall be the nodal point of contact between the NBFC and the regulators or supervisors and shall necessarily be a participant in the structured or other regular discussions held with RBI. Further, compliance to RBI inspection reports shall be communicated to RBI, necessarily through the office of the compliance function.

Implementation of ‘Core Financial Services Solution’ (“CFSS”) by Non-Banking Financial Companies (NBFCs) dated February 23, 2022, as amended

Pursuant to this circular, an NBFC-ML with 10 and more “fixed point service delivery units” is mandated to adopt “core financial services solution”, akin to the core banking solution adopted by banks on or before September 30, 2025. The CFSS shall provide for (i) seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, (ii) enable integration of NBFCs’ functions, and (iii) provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting. It also requires the relevant NBFCs to furnish a quarterly progress report on implementation of the core financial services solution, along with various milestones as approved by the board of directors/committee of the board of directors, to the senior supervisory manager office of the RBI starting from quarter ending March 31, 2023.

RBI Clarifications - Prudential norms on Income Recognition, Asset Classification and Provisioning (“IRACP”) pertaining to Advances dated November 12, 2021, and February 15, 2022

Specification of due date/repayment date

The exact due dates for repayment of loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements.

Classification as Special Mention Account (“SMA”) and Non-Performing Asset (“NPA”)

The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running processes. Similarly, classification of borrower accounts as SMA as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall

be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

NPA classification in case of interest payments

In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

Upgradation of accounts classified as NPAs

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. With regard to upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations, etc., the instructions as specified for such cases shall continue to be applicable.

Master Directions on Fraud Risk Management in Non-Banking Financial Companies (including Housing Finance Companies) dated July 15, 2024 ("Monitoring of Frauds Directions")

The Monitoring of Frauds Directions are applicable to all NBFCs in the upper layer, middle layer and base layer (with asset size of ₹500 crore and above). These directions provide for a framework to applicable NBFCs for prevention, early detection and timely reporting of incidents of fraud to Law Enforcement Agencies, RBI and National Housing Bank and matters connected therewith or incidental thereto. Applicable NBFCs are required to put in place a board of directors approved policy on fraud risk management delineating roles and responsibilities of board/board committees and senior management of the NBFC. The policy shall ensure compliance with principles of natural justice by including the following measures: (a) issuance of a detailed show cause notice ("SCN") to persons or entities against whom fraud allegations are being examined, providing complete details of transactions or events; (b) a minimum of 21 days shall be given to respond to the SCN; (c) the NBFCs must have a system for issuing SCNs and examining responses before declaring any person or entity as fraudulent; and (d) a reasoned order, containing relevant facts, submissions, and reasons for the decision, shall be served on the persons or entities regarding the classification of the account as fraud or otherwise.

NBFC UL & NBFC ML shall have a board of directors approved framework for early warning signals ("EWS") under the fraud risk management policy. NBFCs shall identify and periodically review early warning indicators for monitoring credit facilities, loan accounts, and other financial transactions. Suspicion of fraud indicated by EWS shall trigger deeper investigation and preventive measures. The EWS framework shall include: (i) integration with core banking solution or other operational systems; (ii) timely remedial action on EWS triggers; and (iii) periodic review of credit sanction processes, internal controls, and systems. The EWS system shall include both quantitative and qualitative indicators based on transactional data, financial performance, market intelligence, and borrower conduct. The design and specification of EWS system shall be robust and resilient to ensure that integrity of the system is maintained, personal and financial data of customers are secure and transaction monitoring for prevention/detection of potential fraud is on real-time basis. NBFCs shall remain vigilant in monitoring transactions/unusual activities, specifically in the non-KYC compliant and money mule accounts etc., so as to contain unauthorised/ fraudulent transactions and to prevent misuse of banking/financial channel. A dedicated MIS unit or analytics setup in NBFCs shall monitor and analyse financial transactions, transactions carried out through digital platforms/applications, in order to identify unusual patterns and activities which could alert the NBFCs in time for initiating appropriate measures towards prevention of fraudulent activities.

RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024 ("Wilful Defaulter-Master Direction")

The Wilful Defaulter - Master Direction, redefines the term 'wilful default' which would be deemed to have occurred if there is a default in the repayment obligations despite (i) the borrower having the capacity to honour the said obligations; (ii) the borrower has diverted the funds availed under the credit facility from lender; (iii) the borrower has siphoned off the funds availed under the credit facility from lender; (iv) the borrower has disposed of immovable or movable assets provided for the purpose of securing the credit facility without the approval of the lender; and (v) the borrower or the promoter has failed in its commitment to the lender to infuse equity despite having the ability to infuse the equity, although the lender has provided loans or certain concessions to the borrower based on this commitment

and other covenants and conditions. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; and (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for.

After identification of wilful defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following: (a) no additional facilities will be granted by banks and financial institutions; (b) the bar on additional credit facility to a wilful defaulter or any entity with which a wilful defaulter is associated shall be effective for a period of one year after the name of wilful defaulter has been removed from the List of Wilful Defaulters (“LWD”) by the lender; (c) no credit facility shall be granted by any lender for floating of new ventures to a wilful defaulter or any entity with which a wilful defaulter is associated for a period of five (5) years after the name of wilful defaulter has been removed from the LWD by the lender; and (d) Wilful defaulters or any entity with which a wilful defaulter is associated shall not be eligible for restructuring of credit facility. Subsequent to removal of the name of wilful defaulter from the LWD, the wilful defaulter or any entity with which a wilful defaulter is associated shall be eligible for restructuring.

Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024 dated February 27, 2024 (“Returns Master Direction”)

The Returns Master Direction lists detailed instructions in relation to submission of supervisory returns prescribed by the RBI for various categories of commercial banks, AIFs, NBFCs, etc., including their periodicity, reference date, applicability and the mode of submission of such returns.

Master Direction - Non- Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016 dated September 29, 2016 (“Auditor’s Report Directions”)

The Auditor’s Report Directions set out disclosures that are to be included in every auditor’s report on the accounts of all NBFC such as: (i) compliance with requirement to obtain certificate of registration from the RBI; (ii) the validity of such NBFC’s certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (iii) compliance with net owned fund requirements as laid down in the Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“NBFC-ND-SI Directions”).

Apart from above the auditor shall in case of a non-deposit taking NBFC include a statement on following matters which inter alia includes: (i) whether the board of directors has passed a resolution for non-acceptance of any public deposits; (ii) whether company has accepted any public deposits during the relevant year; (iii) whether the NBFC has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC-ND-SI Directions; and (iv) in respect of NBFC-ND-SI whether capital adequacy ratio as disclosed in the return submitted to the RBI in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum capital to risk (weighted) assets ratio prescribed by the RBI.

Guidelines on Risk-based Internal Audit (“RBIA”) System for Select NBFCs and Primary Urban Co-operative Banks (“UCB”) dated February 3, 2021 (the “RBIA Guidelines”)

The RBIA for non-deposit taking NBFCs with an asset size of ₹5,000 crores and above (the “NBFC-ND”), was mandated by the RBI through its notification dated February 3, 2021 bearing reference number DoS.CO.PPG./SEC.05/11.01.005/2020-21. Under the RBIA Guidelines, applicable NBFCs are required to implement the RBIA framework by March 31, 2022. The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the NBFC-ND. Under the RBIA Guidelines, the board of directors of the NBFC-ND must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. The RBIA Guidelines also

mandate that the policy be reviewed periodically, and that the internal audit function is not outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of NBFC-ND should be conducted at least on an annual basis.

Master Direction –Transfer of Loan Exposures, dated September 24, 2021, as amended ("Master Direction")

With the intent to create a robust secondary market for loan exposures, the RBI has introduced a comprehensive set of self-contained guidelines applicable to transfer and acquisitions of loan exposures by Schedules Commercial Banks, Regional Rural Banks, Primary (Urban) Co-operative Banks/State Co-operative Banks/District Central Co-operative Banks; All India Financial Institutions; Small Finance Banks and NBFCs (including HFCs). The self-contained nature of the Master Direction is explicit in its prohibition on transfer and acquisition of loans except those permitted under the Master Direction.

Pursuant to the directions, the board of directors must approve a policy for transfer and acquisition of loans which lay down, among others, the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for capture, storage and management of data, risk management, periodic board of directors level oversight, etc. Further, the policy must also ensure independence of functioning and reporting responsibilities of the units and personnel involved in transfer/acquisition of loans from that of personnel involved in originating the loans. The loan transfers should result in transfer of economic interest without being accompanied by any change in underlying terms and conditions of the loan contract. In all cases, if there are any modifications to terms and conditions of the loan contract during and after transfer (e.g. in take-out financing), the same shall be evaluated against the definition of 'restructuring' provided annexure to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019, dated June 7, 2019 ("**RBI Directions**"). The general conditions also state that the lender cannot re-acquire a loan exposure, either fully or partially, that had been transferred by the entity previously, except as a part of a resolution plan under the RBI Directions or as part of a resolution plan approved under the Insolvency and Bankruptcy Code, 2016.

Transfer of Stressed Loans

Stressed Loans are mean loan exposures which are classified as NPA or as special mention accounts. Such loans can only be transferred through novation or assignment. The board of directors approved policies on transfer and / or acquisition of stressed loans shall, inter alia, cover the following aspects:-

- (i) Norms and procedure for transfer or acquisition of such loans;
- (ii) Valuation methodology to be followed to ensure that the realisable value of stressed loans, including the realisability of the underlying security interest, if available, is reasonably estimated;
- (iii) Delegation of powers to various functionaries for taking decision on the transfer or acquisition of the loans;
- (iv) Stated objectives for acquiring stressed assets; and
- (v) Risk premium to be applied.

The policy on transfer of stressed loans shall be based on the following principles:-

- (i) The process of identification of stressed loans beyond a specified value, as may be determined by a lender's policy, for transfer is required follow a top-down approach i.e., the head office/corporate office of the lender shall be actively involved in identification of stressed loans for transfer; and
- (ii) All loans classified as NPA above a threshold amount decided by the board of directors shall be reviewed by the board of directors/committee of the board at periodic intervals and a view, with documented rationale, be taken on transfer or otherwise.

The board of directors of NBFCs transferring their loans must also put in place a policy for valuation of loan exposures proposed to be transferred. The policy must also delineate the grounds for valuation of stressed loans. In case, the loan exposure to be transferred, singly, jointly or severally, is ₹100 crore or more, the NBFCs would require two external valuation reports. Another internal policy mandated to formalise the transfer of stressed loans concerns adoption of Swiss Challenge Method to finalise the

auction of the stressed loans. The policy should specify the conditions under which lender(s) may opt for the Swiss Challenge method, and the minimum mark-up over the base-bid required for the challenger bid to be considered by the lender(s), which in any case, shall not be less than 5% and shall not be more than 15%.

The RBI permits only Scheduled Commercial Banks, All India Financial Institutions, Small Finance Banks, and NBFCs, (Permitted Transferees) and Asset Reconstruction Companies (ARCs) to acquire stressed loans. Further, the NBFCs can acquire the stressed loans only on cash basis. Such NBFCs must hold the loans for a period of six months in their books and are generally prohibited to acquire those loans that had been transferred as stressed loans in the previous six months. In case an NBFC has an existing exposure to the borrower whose stressed loan account is acquired, the asset classification of the acquired exposure shall be the same as the existing asset classification of the borrower with the transferee. In case an NBFC does not have an existing exposure to the borrower whose stressed loan account is acquired, the acquired exposure will be treated as a standard asset by the NBFC.

Transfer of Loans not in Default

A non-payment of whole or any part or instalment of the debt upon being due and payable is considered as default on the part of the borrower. These loans can be transferred to permitted transferees including NBFCs through novation, assignment, or loan participation contracts. The transfer shall be only on cash basis and the consideration shall be received not later than at the time of transfer of loans. The transfer consideration should be arrived at in a transparent manner on an arm's length basis. The NBFCs can transfer loans only after a minimum holding period, as counted from the date of registration of security interest with Central Registry of Securitisation Asset Reconstruction and Security Interest of India i.e., (a) three months in case of loans with tenor of up to two years; (b) six months in case of loans with tenor of more than two years.

Disclosure and Reporting

Under the Master Direction, an NBFC must set out (a) disclosures concerning total amounts of loans not in default, and stressed loans transferred and acquired on a quarterly basis in their financial statements; (b) disclosures to trade reporting platforms notified by the RBI of each loan transfer transaction undertaken and maintain a database of such transactions.

Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents, dated August 12, 2022

In light of the alleged deviations and violations by agents employed by regulated entities and reiterating that the responsibility for outsourcing activities vests ultimately with regulated entities, the RBI has directed regulated entities, including NBFCs, to strictly ensure that they or their agents do not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m., for recovery of overdue loans, making false and misleading representations, etc.

Guidelines on Digital Lending dated September 2, 2022 ("Digital Lending Guidelines")

RBI has laid down guidelines for digital lending which are required to be complied with by regulated entities (as defined in the circular, which include NBFCs). The Digital Lending Guidelines *inter alia* stipulate that regulated entities shall ensure that activities including loan servicing, repayment, etc., are executed by the borrower directly in the regulated entity's bank account without any pass-through account/ pool account of any third party. Further, the Digital Lending Guidelines state that the rate of any penal charges shall be disclosed upfront on an annualized basis to the borrower. A regulated entity is required to ensure that any fees or charges payable to the lending service provider, for carrying out functions like customer acquisition, underwriting support, pricing support, servicing monitoring, recovery of specific loan or loan portfolio on behalf of a regulated entity shall be paid directly by the regulated entity and not charged to the borrower. Regulated entities are also required to make certain disclosures to borrowers *inter alia* with respect to annual percentage rate, key fact statement, details of recovery agent etc. The Digital Lending Guidelines have included a framework for grievance redressal,

including a nodal grievance redressal officer and regulate the collection and storage of borrowers' data, mandating the formulation of a comprehensive privacy policy by regulated entities.

Guidelines on Default Loss Guarantee in Digital Lending dated June 8, 2023 (the “DLG Guidelines”)

The DLG Guidelines, inter alia, set out requirements in relation to default loss guarantee (“**DLG**”) arrangements, eligibility of the DLG provider, disclosure requirements and also sets out an upper limit on the DLG provided. The DLG is required to be invoked within a maximum overdue period of 120 days, unless made good by the borrower before that. Further, the period for which the DLG agreement will remain in force should not be less than the longest tenor of the loan in the underlying loan portfolio. The regulated entity is responsible for recognising individual loan assets in the portfolio as NPA and consequent provisioning. The DLG Guidelines also prescribe due diligence requirements of NBFCs prior to entering into or renewal of a DLG arrangement. NBFCs are required to obtain sufficient information to satisfy themselves that the entity extending the DLG would be able to honour it.

Loans and Advances – Regulatory Restrictions - NBFCs dated April 19, 2022 (“Loans and Advances Guidelines”)

Loans and Advances Guidelines provides for: (i) regulatory restriction applicable to NBFC-ML and NBFC-UL when providing loans and advances to: (a) directors or relatives of directors; (b) senior management; and (c) real estate sector; and (ii) regulatory restrictions applicable to NBFC-BL when providing loans to directors, senior management and relatives of directors, to be done in accordance with policy approved by the board of directors.

Master Direction – Information Technology Governance, Risk, Control and Assurance Practices dated November 7, 2023 (“Master Direction - IT”)

Pursuant to notification dated November 7, 2023 bearing the reference number DoS.CO.CSITEG/SEC.7/31.01.015/2023-24, the RBI issued guidelines to regulate the governance of information technology (“**IT**”) and the risks, assurance practices, control mechanisms and disaster management associated with IT and cyber security. The Master Direction - IT is applicable to all NBFCs, including all NBFC-BL, NBFC-ML and NBFC-TL, but excludes NBFC-Core Investment Companies. The key requirements are as follows:

IT Governance

The Master Direction - IT lays down a framework for information technology (“**IT Governance Framework**”) that focuses on strategic alignment, risk management, resource management, performance management and business continuity/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 Master Direction – IT also mandates NBFCs to have a framework that supports their information systems and infrastructure (“**IT Service Management Framework**”) to ensure operational resilience. In the event there are third parties handling the NBFC's information technology or cyber security, the NBFCs 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 Master Direction – IT, 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/ information.

Business Continuity Plan and Disaster Recovery Policy

The Master Direction – IT, 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 Master Direction - IT states that the audit committee of the board shall overlook the functioning of the IS Audit. All entities are required to have an IS audit policy that shall describe the mandate, scope and purpose of the audit, etc. The audit committee, under the Master Direction - IT, has to review the critical issues related to IT, information security and cyber security and thereafter, provide guidance to the management regarding the same.

Special Liquidity Scheme for NBFCs/HFCs dated July 1, 2020

The Government of India approved the Special Liquidity Scheme for NBFCs and HFCs to improve the liquidity position of NBFCs/HFCs through a special purpose vehicle to avoid potential systemic risks to the financial sector. In order to avail the scheme, NBFCs are required to, inter alia, (a) have made a net profit in one of the two preceding financial years; and (b) be rated investment grade by a SEBI registered rating agency. In accordance with the circular, the scheme is managed by a special purpose vehicle set up by a subsidiary of the State Bank of India, SBI Capital Markets Limited.

Master Circular dated April 24, 2024, as amended 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, inter 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, leased and sub- leased assets, bank finance to factoring companies and other prohibitions on bank finance to NBFCs, along with certain prudential ceilings for exposure of banks to NBFCs, restrictions regarding investments made by banks in securities/ instruments issued by NBFCs and risk weights for bank credit to NBFCs.

Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs dated April 29, 2022 (“Compensation Guidelines”)

Pursuant to the circular dated October 22, 2021 on NBFC scale-based regulation framework, the RBI notified the Compensation Guidelines mandating all NBFCs (except NBFC-BL and Government owned NBFCs) to formulate and put in place a compensation policy approved by board of directors of NBFC. The compensation policy shall at the minimum include (i) constitution of nomination and remuneration committee; (ii) principles for fixed/variable pay structures; and (iii) malus/ clawback provisions. The Compensation Guidelines provides the minimum scope and coverage to put in place the compensation policy.

Notification on Prompt Corrective Action (“PCA”) Framework for NBFCs dated October 10, 2023, (“PCA Framework”)

RBI introduced PCA Framework for SCBs in 2002 and the NBFCs have been brought under PCA via the PCA Framework as NBFCs have been growing in size and have substantial interconnectedness with other segments of the financial system. The PCA Framework will further strengthen the supervisory tools applicable to NBFCs. The indicators to be tracked for non-deposit taking NBFCs would be capital to risk weighted assets ratio, tier I capital ratio and net NPA ratio and the PCA Framework provides for risk thresholds and corrective actions (mandatory and discretionary). The objective of the PCA Framework is to enable supervisory intervention at appropriate time and require the supervised entity to initiate and implement remedial measures in a timely manner, to restore its financial health and also act as a tool for effective market discipline. The PCA Framework does not preclude the RBI from taking any other action as it deems fit at any time in addition to the corrective actions prescribed in the PCA Framework. The Framework as been extended to Government NBFCs (except those in base layer) with effect from October 1, 2024.

Loans Sourced by Banks and NBFCs over Digital Lending Platforms (“DLPs”): Adherence to Fair Practices Code and Outsourcing Guidelines dated June 24, 2020 (“DLP Guidelines”)

The RBI issued norms to ensure that the DLPs and the banks/ NBFCs strictly comply with the DLP Guidelines, irrespective of whether banks and NBFCs lend through their own DLP or through an outsourced DLP. The DLP Guidelines are applicable to all the SCBs and NBFCs (including HFCs), except RRBs. As per the DLP Guidelines, banks and NBFCs along with DLPs must follow the following instructions, while engaging DLPs as their agents to source borrowers and/ or to recover dues: (i) names of DLPs engaged as agents should be disclosed on the website of banks / NBFCs; (ii) DLPs must disclose upfront the names of the banks/NBFCs, on whose behalf they interact with the customer; (iii) sanction letter should be issued to the customer, immediately after the sanction and prior to the execution of the loan agreement, on the letter head of the banks/NBFCs; (iv) a copy of the loan agreement along with a copy of all enclosures mentioned in the loan agreement should be furnished to all borrowers at the time of sanction/ disbursement of loans; (v) effective oversight and monitoring should be ensured over DLPs; and (vi) efforts should be made towards creation of awareness about the grievance redressal mechanism.

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 (“RBI Auditors Guidelines”)

The RBI Auditors Guidelines are applicable to commercial banks (excluding regional rural banks), urban co-operative banks and NBFCs (including HFCs) in respect of appointment/ reappointment of SCAs/ SAs. While NBFCs, including HFCs, do not have to take prior approval of RBI for appointment of SCAs/ SAs, all NBFCs, including HFCs, need to inform RBI about the appointment or removal of SCAs/ SAs for each year by way of a certificate within one month of such appointment and/or decision taken in relation of removal. Further, the RBI Auditors Guidelines provide for, inter alia, the minimum and maximum number of SCAs/ SAs per entity, eligibility criteria for auditors, tenure and rotation, independence of auditors and professional standards of SCAs/ SAs.

Co-Lending by Banks and NBFCs to Priority Sector dated November 5, 2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserved sections of the economy. By entering co-lending arrangements, banks and NBFCs can combine the relative advantages of the two to provide financial services. Banks are permitted to co-lend with registered NBFCs, not forming part of their promoter group, (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account maintained with the bank. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, put in place a suitable arrangement for grievance redressal, arrange for the creation of security and charge and include loans under the co-lending mechanism in the scope of their internal/statutory audit to ensure compliance with their respective internal guidelines.

Master Direction – RBI (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023 (“Ombudsman Master Direction”)

The RBI introduced Ombudsman Master Direction to integrate the erstwhile RBI ombudsman schemes and also with the objective to improve the customer service standards in regulated entities. The Ombudsman Master Direction reaffirms that the internal ombudsman mechanism should work as envisaged and be positioned as an independent, apex level authority on consumer grievance redressal within the regulated entities. The Ombudsman Master Direction lays down the following: (i) applicability; (ii) office of internal ombudsman which *inter-alia* includes appointment of internal ombudsman and deputy internal ombudsman, their tenure, etc.; (iii) roles and responsibilities; (iv) procedural guidelines for regulated entity; (v) regulatory and supervisory oversight by the RBI ; and (vi) reporting formats. The Ombudsman Master Directions require regulated entities to appoint one Internal Ombudsman, and further appoint one or more deputy Internal Ombudsman, depending on the volume of complaints received by them. The Ombudsman Master Direction also requires constitution of customer service committee / consumer protection committee that shall determine the structure of emoluments, facilities and benefits accorded to the internal ombudsman / deputy internal ombudsman. The

emoluments, facilities and benefits accorded to the internal ombudsman / deputy internal ombudsman, once determined, shall not be changed during their tenure.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017, as amended (“Outsourcing Directions”)

The Outsourcing Directions specify the activities that cannot be outsourced and provide the basis for deciding the materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. The terms and conditions governing the contract between the NBFC and the service provider should be in compliance with the Outsourcing Directions. Further, an NBFC intending to outsource any of the permitted activities under the Outsourcing Directions is required to formulate an outsourcing policy which is to be approved by its board of directors incorporating, inter alia, criteria for selection of such activities as well as service providers, delegation of authority depending on risks and materiality and systems to monitor and review the operations of these activities.

Master Direction - Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 dated April 10, 2023 (“IT Outsourcing Directions”)

The master direction by the RBI provides guidelines for outsourcing information technology services by regulated entities. The directions recognize the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish the regulated entities’ ability to fulfil its obligations to customers nor impede effective supervision by the RBI. As per the IT Outsourcing Directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity, had the same activity not been outsourced. The regulated entities are required to ensure that their service providers develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan.

A regulated entity can also outsource any IT activity or IT enabled service within its business group/conglomerate, subject to conditions specified in the directions. Regulated entities intending to outsource any of its IT activities are required to put in place a comprehensive board approved IT outsourcing policy which shall incorporate, inter alia, the roles and responsibilities of the board, committees of the board (if any) and senior management, IT function, business function as well as oversight and assurance functions in respect of outsourcing of IT services. The IT Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. Further, the RBI has the power to impose penalties for violations of directions.

Insurance Regulatory and Development Authority of India (“IRDAI”) (Registration of Corporate Agents) Regulations, 2015 (“CA Regulations”)

Corporate agents are granted a certificate of registration by the IRDAI in accordance with the CA Regulations for solicitation and servicing of insurance business for any of the specified category of life, general and health. A corporate agency registration is valid for a period of three years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration is subject to the applicant meeting the eligibility criteria prescribed in the CA Regulations. The criteria includes matters inter alia (a) whether the applicant has the necessary infrastructure such as, adequate office space, equipment and trained manpower on their rolls to effectively discharge its activities; (b) whether the principal officer, directors and other employees of the applicant have violated the code of conduct set out under the CA Regulations in the last three years; (c) whether any person, directly or indirectly connected with the applicant, has been refused in the past the grant of a license/registration by the IRDAI; and (d) whether the applicant, in case the principal business of the applicant is other than insurance, maintain an arms-length relationship in financial matters between its activities as corporate agent and other activities.

Further, pursuant to the IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2022, a corporate agent, depending on the type of registration (i.e., general, life or health) a corporate agent is permitted to act as a corporate agent for a maximum of nine general, life or health insurers, as applicable. In the case

of corporate agent (composite) the total number of arrangements with life, general and health insurers, shall not exceed twenty-seven at any point of time.

IRDAI Information and Cyber Security Guidelines, 2023 (“Cyber Security Guidelines”)

In terms of the Cyber Security Guidelines, all regulated entities are mandated to establish and maintain an organization structure for governance, implementation and monitoring of information security, comprising the board of directors, risk management committee and information security risk management committee. The ultimate responsibility for information security of an organization vests with the board of directors of the regulated entity, in addition to receiving quarterly inputs on matters related to information security and approving its information and cyber security policy.

Circular by IRDAI Regarding the use of out-of-date Operating System (OS) and IT Equipment, 2022 (“Circular on OS and IT Equipment”)

The circular issued by IRDAI on November 15 2022, regarding the use of out-of-date OS and IT Equipment, mandates organizations to configure IT infrastructure including servers, applications, network and security devices to ensure security and reliability. The circular reiterates the observations by MeitY vide D.O.No. 7(1)/2022-CSD dated October 18 2022, on the importance of cyber security in governance and the dangers of the use of outdated OS and IT equipment by making systems susceptible to security breach. The Circular on OS and IT equipment advises companies to put in place a board approved policy on scrapping and disposal of out-of-date OS and IT equipment.

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”)

The SARFAESI Act governs securitization of financial assets in India. The SARFAESI Act provides that any securitization or reconstruction company may acquire the financial assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for the transfer of such assets to the company or by issuing a debenture or bond or any other security in the nature of the debenture, for consideration, as per such terms and conditions as may be mutually agreed between them. The SARFAESI Act further provides that if the bank or financial institution is a lender in relation to any financial assets acquired by the securitization/reconstruction company as stated above, then such company shall be deemed to be the lender in relation to those financial assets. Further, upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, shall also get transferred in favour of the securitization/reconstruction company. The SARFAESI Act also enables banks and notified financial institutions to enforce the underlying security of an NPA without court intervention. Pursuant to an asset being classified as an NPA, the security interest can be enforced as per the procedure laid down in the Security Interest Enforcement Rules, 2002.

Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 (“Aadhaar Act”)

The Aadhaar Act aims to provide for, as good governance, efficient, transparent and targeted delivery of subsidies, benefits and services, the expenditure for which is incurred from the Consolidated Fund of India or the Consolidated Fund to the State to individuals residing in India, through assigning of unique identity numbers to such individuals and for matters connected therewith or incidental thereto. The Aadhaar Act establishes Unique Identification Authority of India, which is responsible for authentication and enrolment of individuals under the Aadhaar programme. The Aadhaar Act also provides for the appointment of Enrolling Agency, which would be responsible for the enrolment of individuals. The Aadhaar Act, to authenticate the Aadhaar Numbers, appoints a requesting entity, that would submit the Aadhaar Number along with demographic information or biometric information to the Central Identities Data Repository. Lastly, the Aadhaar Act also provides for the protection and confidentiality of identity information and authentication records of individuals.

The Information Technology Act, 2000 (the “IT Act”)

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for

extraterritorial jurisdiction over any offence or contravention under the IT 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. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and ensures that a body corporate failing to protect sensitive personal data is liable to pay damages by way of compensation. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those related to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, (“**DoIT**”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**IT Security Rules**”) 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. The IT Security Rules require every such body corporate to provide a privacy policy for 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 IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any 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 (“DPDP Act”)

The DPDP Act received the assent of the President on August 11, 2023. The DPDP Act, has replaced the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act provides for the processing of digital personal data in a manner that recognises both the rights of individuals to protect their personal data and the need to process personal data for lawful purposes and matters incidental thereto. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the data principal to whom the personal data relates, or for certain legitimate uses. A notice must be given before seeking consent. The consent obtain shall be free, specific, informed, unconditional and unambiguous with a clear affirmative action, and shall signify an agreement to the processing of her personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose. It further imposes certain obligations on data fiduciaries including (i) ensuring the accuracy, consistency and completeness of personal data processed, (ii) building reasonable security safeguards to prevent a data breach, (iii) informing the Data Protection Board of India (the “**DPB**”) and affected persons in the event of a breach, and (iv) unless retention is necessary for compliance with any law, personal data is to be erased upon the data principal withdrawing consent or as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The Central Government will establish the DPB. Key functions of the DPB include: (i) on receipt of an intimation of personal data breach, to direct any urgent remedial or mitigation measures in the event of a personal data breach, and to inquire into such personal data breach and impose penalty; (ii) on a complaint received in respect of a personal data breach or a breach in observance by a data fiduciary of its obligations in relation to her personal data or the exercise of her rights, or on a reference made to it by the central government or a state government, or in compliance of the directions of any court, to inquire into such breach and impose penalty, and (iii) the DPB may, on a representation made to it by a person affected by a direction, or on a reference made by the Central Government, modify, suspend, withdraw or cancel such direction and, while doing so, impose such conditions as it may deem fit. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”)

SEBI Listing Regulations establish compliance requirements for listed entities to ensure transparency and protect investor interests. These regulations mandate timely disclosures, corporate governance standards, and financial reporting obligations for companies whose securities are listed on stock exchanges. The regulations mandate that the board of directors of a listed entity shall have an optimum combination of executive and non-executive directors, including independent directors. Further, the regulation also stipulate that listed entities must submit quarterly and annual financial results to the stock exchange within the prescribed timelines. Public listed companies are required under the SEBI Listing Regulations to prepare and circulate their audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis. In addition, a listed company is subject to continuing disclosure requirements pursuant to the provisions of the SEBI Listing Regulations.

SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“SEBI PIT Regulations”)

The SEBI PIT Regulations, prohibit any insider from trading in securities while in possession of unpublished price-sensitive information (“UPSI”). The regulations define insiders as individuals who have access to UPSI by virtue of their position in a company or their relationship with such a company. Further, SEBI PIT Regulations mandates instituting and maintaining a structured digital database of individuals with whom any UPSI may have been shared by the regulated entities in connection with certain permitted transactions to prevent any transactions in securities by such individuals while in possession of UPSI. The regulation mandates that designated persons maintain confidentiality of such information and prohibits the communication of UPSI unless required for legitimate purposes or performance of duties. The SEBI PIT Regulations also introduced trading plans, allowing insiders to trade in securities under a pre-approved plan to establish transparency and prevent allegations of misconduct. Furthermore, disclosure requirements apply to promoters, directors, and certain employees to ensure accountability. Violations of these provisions include monetary fines and restrictions on trading activities.

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“SEBI SAST Regulation”)

Under the SEBI SAST Regulation, any acquisition of shares or voting rights in a listed company beyond prescribed thresholds triggers mandatory disclosure and open offer requirements to protect investor interests. An acquirer who intends to acquire shares or voting rights that would result in holding 25% or more of the target company must make an open offer to public shareholders. SEBI SAST Regulations requires the acquirer to submit a detailed letter of offer to SEBI, outlining the terms and conditions of the acquisition. The regulation also provides exemptions from open offer obligations in specific cases, such as inter-se transfers among promoters. SEBI SAST Regulations will be applicable upon the Company, upon listing of the Equity Shares of the Company on the Stock Exchanges.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (“SEBI NCS Regulations”)

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 into a single regulation. The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non-convertible redeemable preference shares by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”)

SEBI vide notification dated August 13, 2021, issued SEBI SBEB Regulations by consolidating the erstwhile SEBI (Share Based Employee Benefit) Regulations, 2014 and SEBI (Issue of Sweat Equity) Regulations, 2002. The SEBI SBEB regulations govern all share based employee benefit schemes dealing in securities, including employee stock options, employee share purchase, stock appreciation rights, general employee benefits, retirement benefits and sweat equity. The regulation provides for share-based employee benefits to employees, who are exclusively working for such a company or any of its group companies including a subsidiary or an associate. A company which has passed a resolution for the scheme(s) under SEBI SBEB Regulations, must place before the shareholders a certificate from the secretarial auditors of the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting. Subsequent to the issue of sweat equity shares, the board of directors must place before the shareholders, a certificate from the secretarial auditor of the company that the issue of sweat equity shares has been made in accordance with these regulations and in accordance with the resolution passed by the company authorizing the issue of such sweat equity shares. SEBI SBEB Regulations mandates additional requirement for certification from secretarial auditors. The secretarial auditor of the company shall certify the compliances with respect to cost of acquisition of shares under the schemes. SEBI SBEB Regulations will be applicable upon the Company, upon listing of the Equity Shares of the Company on the Stock Exchanges.

2. Regulations in relation to foreign ownership

The Consolidated FDI Policy Circular of 2020 (No. 5(2)/2020) dated October 15, 2020, as amended ("FDI Policy") issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT")

Foreign investment in NBFCs, carrying on activities approved for FDI, is subject to the conditions specified in Paragraph 5.2.26 of the FDI Policy. Pursuant to these norms, FDI of up to 100% is permitted under the automatic route in our Company. This sector is also subject to minimum capitalization norms as prescribed by the RBI or other government agencies from time to time.

3. Other Regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, Foreign Exchange Management Act, Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, other applicable regulations/circulars notified by the SEBI, other applicable RBI guidelines/circulars and notifications, labour laws, various tax related legislations and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Credila Financial Services Private Limited', a private limited company under the Companies Act, 1956, and was granted a certificate of incorporation dated February 1, 2006 by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, the name of our Company was changed from 'Credila Financial Services Private Limited' to 'HDFC Credila Financial Services Private Limited', and a fresh certificate of incorporation dated February 19, 2017 was issued by the Registrar of Companies, Maharashtra at Mumbai, pursuant to the change in the name of the Company. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders in its AGM held on July 29, 2020 and following which the name of our Company was changed to HDFC Credila Financial Services Limited, and a fresh certificate of incorporation dated October 8, 2020 was issued by the Registrar of Companies, Maharashtra at Mumbai, pursuant to the conversion of the Company to a public limited company from a private limited company. Subsequently, the name of our Company was changed from 'HDFC Credila Financial Services Limited' to 'Credila Financial Services Limited', and a fresh certificate of incorporation dated October 21, 2024 was issued by the Office of the Central Processing Centre, pursuant to the change in the name of the Company.

Changes in our Registered Office

Except as disclosed below, there has been no change in our Registered Office since the date of incorporation:

Date of change of Registered Office	Details of change in the Registered Office	Reasons for change in the Registered Office
July 4, 2007	<p>Old Address: 93-B, Mittal Court, Nariman Point, Mumbai – 400 021, Maharashtra, India</p> <p>New Address: B-301, Citi Point, next to Kohinoor Continental, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India</p>	Operational convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- To carry on the business of lending or advancing of money by way of loan, overdraft or in any other manner whether with or without security or against movable or immovable properties or such other securities as may be decided by the Board from time to time.*
- To carry on the business as authorised dealers and/or money changers in foreign exchange, authorised money transfer agents and to render such services as may be permitted by RBI and to render advisory services and consultancy services in foreign exchange, export/import trade and setting up joint ventures.*
- To act as the corporate agents in life, standalone health insurance as well as general insurance business respectively for the purpose of soliciting and distribution of insurance products and to carry on any other activity that is incidental and allied or related to the corporate agency business, as and when decided by the Board, by passing a resolution in the Board meeting, after taking the prior approval from the prescribed authority, if required.*

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of amendment	Details of the modifications
May 25, 2016	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹1,500,000,000 divided into 65,000,000 Equity Shares of ₹10 each and 85,000,000 compulsorily convertible preference shares of ₹10 each to ₹1,550,000,000 divided into 70,000,000 Equity Shares of ₹10 each and 85,000,000 compulsorily convertible preference shares of ₹10 each.

Date of amendment	Details of the modifications
January 16, 2017	Clause I of the MoA was amended to reflect the change in the name of our Company from “Credila Financial Services Private Limited” to “HDFC Credila Financial Services Private Limited”
August 6, 2018	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹1,550,000,000 comprising of (i) ₹700,000,000 divided into 70,000,000 equity shares of ₹10 each, and (ii) ₹850,000,000 divided into 85,000,000 compulsorily convertible preference shares of ₹10 each to ₹1,550,000,000 comprising of (i) ₹880,000,000 divided into 88,000,000 equity shares of ₹10 each, and (ii) ₹670,000,000 divided into 67,000,000 compulsorily convertible preference shares of ₹10 each.
August 5, 2019	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹1,550,000,000 comprising of (i) ₹880,000,000 divided into 88,000,000 equity shares of ₹10 each, and (ii) ₹670,000,000 divided into 67,000,000 compulsorily convertible preference shares of ₹10 each to ₹1,550,000,000 comprising of (i) ₹1,080,000,000 divided into 108,000,000 equity shares of ₹10 each, and (ii) ₹470,000,000 divided into 47,000,000 compulsorily convertible preference shares of ₹10 each.
March 18, 2020	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹1,550,000,000 comprising of (i) ₹1,080,000,000 divided into 108,000,000 equity shares of ₹10 each, and (ii) ₹470,000,000 divided into 47,000,000 compulsorily convertible preference shares of ₹10 each to ₹1,550,000,000 comprising of (i) ₹1,330,000,000 divided into 133,000,000 equity shares of ₹10 each, and (ii) ₹220,000,000 divided into 22,000,000 compulsorily convertible preference shares of ₹10 each.
July 29, 2020	Clause I of the MoA was amended to reflect the change in the name of our Company pursuant to conversion into public limited company, from “HDFC Credila Financial Services Private Limited” to “HDFC Credila Financial Services Limited” upon conversion of our Company.
June 28, 2021	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹1,550,000,000 comprising of (i) ₹1,330,000,000 divided into 133,000,000 equity shares of ₹10 each, and (ii) ₹220,000,000 divided into 22,000,000 compulsorily convertible preference shares of ₹10 each to ₹1,550,000,000 divided into 155,000,000 equity shares of ₹10 each.
February 28, 2023	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹1,550,000,000 divided into 155,000,000 Equity Shares of ₹10 each to ₹2,000,000,000 divided into 200,000,000 Equity Shares of ₹10 each.
March 20, 2024	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹2,000,000,000 divided into 200,000,000 Equity Shares of ₹10 each to ₹3,000,000,000 divided into 300,000,000 Equity Shares of ₹10 each.
September 5, 2024	Clause I of the MoA was amended to reflect the change in the name of our Company from “HDFC Credila Financial Services Limited” to “Credila Financial Services Limited”

Major events and milestones of our Company

Calendar year	Event
2006	Incorporation of our Company
2007	Received certificate of registration from RBI to commence / carry on business of NBFC
2008	Investment by DSP Merrill Lynch to the tune of ₹159.40 million
2008	Disbursement of first loan by our Company
2010	Our Company became a subsidiary of HDFC Limited*
2013	Our Company became profitable
2013	Our cumulative disbursements crossed ₹10,000 million
2017	The name of our Company changed to HDFC Credila Financial Services Private Limited from Credila Financial Services Private Limited
2018	Long term debt received a credit rating of AAA
2019	Acquisition of 100.00% stake by HDFC Limited* in our Company
2020	Conversion of our Company into a public limited company
2021	Our loan book crossed ₹80,000.00 million
2021	Net worth of our Company crossed ₹ 12,000.00 million
2022	Crossed the mark of 100,000 customers since incorporation
	Our loan book crossed ₹135,000.00 million
2023	Our annual disbursement crossed ₹75,000.00 million
	Our loan book crossed ₹250,000.00 million
2024	Acquisition of 90.01%% stake by Kopvoorn B.V., Defati Investments Holding B.V., and Infinity Partners and Moss Investments Limited in our Company from HDFC Bank Limited and certain employees of the Company
2024	Our loan book crossed ₹350,000 million
2024	Launched our in-house built LOS
2024	Crossed the mark of 210,000 customers since incorporation

* Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023.

Key awards, accreditations and recognitions received by our Company:

Calendar Year	Awards and recognitions
2022	Conferred with the ‘Gold’ award at the CSR Times Awards organised by the CSR Times.
	Conferred with the ‘Silver’ award at the CSR Awards organised by the CSR Times.
	Awarded ‘Runner-up 2’ for excellence in supporting education and skill at the CSR & sustainability summit & awards for 2022 organised by ASSOCHAM.
2023	Awarded as the winner of the ‘India CSR Leadership Award (large impact)’ at the 2 nd India ESG Summit & India CSR Awards in recognition of our notable accomplishments in the field of education.
	Awarded ‘Best Newcomer to CSR’ by at the best CSR practices awards organised by CMO Asia Pacific.
2024	Won the “Innovation in Digital Lending” award at NBFC100 leader of excellence awards organised by Elets Technomedia & Elets.
2025	Awarded the “Best Mid-sized NBFC” at Mint BFSI Summit & Awards organised by Mint.
	Our UD\$512 million social loan facility won the “Best Social Loan – Education” in India award at the Asset Triple A Awards for Sustainable Finance 2025 – Soth Asia.
	Won the “Rising Star in CSR” award at the 13 th Edition of the Corporate Social Responsibility Summit and Awards 2025 organised by UBS Forums.

Time and cost over-runs in setting up projects

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Significant financial or strategic partnerships

As of the date of this Updated Draft Red Herring Prospectus-I, our Company does not have any significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing geographies, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing geographies, capacity/facility creation, location of our manufacturing facilities, see “*Our Business*” on page 216.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, etc. in the last 10 years

Our Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in the last 10 years.

Holding Company

Kopvoorn B.V. is our holding company. For details, see “*Our Promoter and Promoter Group*” on page 314.

Subsidiaries

As of the date of this Updated Draft Red Herring Prospectus-I, our Company does not have any subsidiaries.

Joint venture

As of the date of this Updated Draft Red Herring Prospectus-I, our Company does not have any joint venture.

Associates

As on the date of this Updated Draft Red Herring Prospectus-I, our Company does not have any associate companies.

Shareholders' agreements

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus-I, there are no subsisting shareholders' agreements amongst our Shareholders with respect to the Company, which are material and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer:

Shareholders' agreement dated June 19, 2023, read with the letter agreement dated March 18, 2024, deed of adherence dated April 3, 2024, second deed of adherence dated October 14, 2024, as amended by the waiver cum amendment agreement dated December 26, 2024 ("WCA") entered into by and amongst our Company, HDFC Bank Limited* ("HDFC Bank"), Kopvoorn B.V. ("Investor 1"), Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners (collectively, "Investor 2") (collectively, Investor 1 and Investor 2 together as, the "Investors"), Shinhan Bank Co., Limited ("Shinhan Bank") and HDFC Life Insurance Company Limited ("HDFC Life") ("Shareholders' Agreement")

Our Company, HDFC Bank, Investor 1, Investor 2, Shinhan Bank and HDFC Life have entered into the Shareholders' Agreement to record the inter se rights and obligations in connection with the management of our Company and certain other matters. Investor 1 have the right to nominate four directors, Investor 2 have the right to nominate one director, Shinhan Bank have the right to nominate one director and HDFC Bank have the right to nominate one director on the Board. Additionally, Investor 1 and Investor 2 have the right to nominate members on the committees constituted by the Board and HDFC Bank has the right to appoint the HDFC Bank director on the investment committee of the Board.

Pursuant to the WCA, the shareholders' agreement dated June 19, 2023, read with the letter agreement dated March 18, 2024, deed of adherence dated April 3, 2024, second deed of adherence dated October 14, 2024, the WCA and the special rights available to the parties to the Shareholders' Agreement, shall automatically stand terminated on the date of listing of the Equity Shares on the Stock Exchanges. Further, pursuant to the WCA, post the consummation of the IPO, the Company has undertaken to take all necessary steps under Applicable Law, including the convening of an annual general meeting, or an extraordinary general meeting, as applicable, to approve the continuation of the aforementioned rights in favour of Investor 1, Investor 2, Shinhan Bank and HDFC Bank including (i) the right to nominate directors to the Board, (ii) the right to nominate members on the committees constituted by the Board, and (iii) to appoint an independent director as the chairperson of the Company. Further, the Company has undertaken to include the aforementioned rights in the Articles of Association, and such rights shall be subject to receipt of approval by way of a special resolution of the Shareholders. Additionally, the parties have extended certain waivers and consents to facilitate the Offer.

Additionally, under the Shareholders' Agreement, parties are also entitled to certain other rights including information and inspection rights, observer rights, inter-se share transfer restrictions (including tag-along and right of first offer). The parties are also entitled to affirmative voting rights including in relation to the ability of the Company to undertake the Offer, i.e., any changes to the capital structure of our Company and any changes to the charter documents of our Company. Further, the Shareholders' Agreement along with the rights granted thereunder to the Parties shall stand automatically terminated upon listing of the Equity Shares on the Stock Exchanges.

** Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023.*

Other material agreements

Investment agreement dated June 19, 2023 ("Investment Agreement") entered between our Company, HDFC Bank Limited* ("HDFC Bank"), HDFC Limited ("Seller"), Kopvoorn B.V. ("Investor 1"), Moss Investments Limited ("Investor 2"), Defati Investments Holding B.V. ("Investor 3") and Infinity Partners ("Investor 4")

(Investor 1, Investor 2, Investor 3 and Investor 4 together as, the “Investors”) read with letter agreement dated July 5, 2023, second letter agreement dated August 22, 2023 and third letter agreement dated March 17, 2024.

As per the Investment Agreement, the Seller agreed to sell 112,138,344 Equity Shares to Investor 1 constituting 62.59% of share capital of our Company for a consideration of approximately ₹76,422.00 million; 25,781,454 Equity Shares to Investor 2 constituting 14.39% of Share Capital of our Company for a consideration of approximately ₹17,570.00 million; 1,472,379 Equity Shares to Investor 3 constituting 0.82% of share capital of our Company for a consideration of approximately ₹1,003.42 million; 780,003 Equity Shares to Investor 4 constituting 0.44% of share capital of our Company for a consideration of approximately ₹531.60 million.

Further, as per the Investment Agreement, our Company granted certain rights to the Investors, however, these rights do not survive as on the date of this Updated Draft Red Herring Prospectus-I. These rights required prior written consent to be taken from the Investors to undertake the following, amongst others: (i) if there is any transfer of shares held by the Seller and its nominees; (ii) issues or sells any Equity Shares, securities, options, warrants or other rights to purchase the Equity Shares or other securities of our Company, or issue any bonus shares, or undertake any stock split or reorganizations, or redeem or repurchase or retire any Equity Shares or other securities of the Company or alter the capital structure of the Company in any manner; and (iii) if our Company makes any amendments to our certificate of incorporation or our Constitutional Documents.

This Investment Agreement has been included in “*Material Contracts and Documents for Inspection – Material Documents in relation to the Offer*” on page 595.

** Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023.*

Share subscription agreement dated April 3, 2024, entered into by and between our Company and Shinhan Bank Co. Limited (“Shinhan Bank”) (“SSA”)

Pursuant to the SSA, Shinhan Bank subscribed to 22,010,272 Equity Shares having face value of ₹10 each for an aggregate consideration of approximately ₹15,000.00 million. For further details, see “*Capital Structure – Notes to the Capital Structure – Share Capital history of our Company*” on page 108.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoter or any other employee

There are no agreements entered into by our Key Managerial Personnel, Senior Management Personnel or Directors or Promoter 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.

Other agreements

Except as disclosed below, our Company has not entered into any other subsisting material agreement, including with strategic partners or financial partners, other than in the ordinary course of business:

Memorandum of understanding dated July 29, 2024, entered into between our Company and Shinhan Bank Co. Ltd., Korea (“Shinhan Korea” and such memorandum of understanding, the “Shinhan MoU”)

Our Company and Shinhan Korea have entered into the Shinhan MoU to explore potential areas for future co-operation and transactions on an arm’s length basis, such as: (i) loans and deposits; (ii) direct assignment of loan exposures; (iii) co-lending; (iv) derivative products; (v) foreign exchange services; (vi) employee benefit programs; and (vii) customer referrals and other business opportunities which are permitted to be extended by Shinhan Korea’s Indian branch to the extent permitted by the RBI license. The Shinhan MoU shall be effective from the date of execution until the earlier of (a) July 28, 2025, unless otherwise extended by mutual agreement of our Company and Shinhan Korea in writing; and (b) termination of the Shinhan MoU by mutual agreement.

Except as disclosed this section, there are no agreements entered into by the Shareholders, Promoter, Promoter Group, related parties, Directors, KMPs, employees of our Company, among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect

is to, (a) impact the management or control of our Company; or (b) other than in the normal course of business, impose any restriction or create any liability upon our Company, whether or not our Company is a party to such agreements.

Further, we confirm that except as disclosed in this Updated Draft Red Herring Prospectus-I, there are no other inter-se agreements or arrangements entered into by and amongst any of the Promoter or Shareholders to which the Company is a party, or agreements of like nature, or agreements comprising material clauses/covenants that are required to be disclosed in this Updated Draft Red Herring Prospectus-I or containing clauses/covenants that are adverse/prejudicial to the interest of minority/public shareholders.

Material clauses of the AoA

Except as disclosed under the “*Description of Equity Shares and Terms of Articles of Association*” on page 556, there are no material clauses of the AoA that have been left out from disclosure in this Updated Draft Red Herring Prospectus-I, having bearing on the Offer.

Details of guarantees given to third parties by our Promoter who is participating in the Offer for Sale

Our Promoter has not given any guarantee to any third party, that is outstanding on the date of this Updated Draft Red Herring Prospectus-I.

Key terms of other subsisting material agreements

Except as disclosed in “- *Other material agreements*” on page 277, our Company has not entered into any subsisting material agreements other than in the ordinary course of business of our Company.

Rights available to Shareholders

Except as disclosed in, “- *Shareholders’ agreements*” on page 277, there are no special rights available to the Shareholders of the Company as on the date of this Updated Draft Red Herring Prospectus-I.

OUR MANAGEMENT

In terms of the Companies Act, 2013 and the Articles of Association, our Company is required to have not more than twelve directors. As on the date of this Updated Draft Red Herring Prospectus-I, we have twelve directors, comprising of one managing director and eleven non-executive directors, of whom four are independent directors, including one-woman independent director. The composition of the Board of Directors and its committees is in compliance with the corporate governance requirements under the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Updated Draft Red Herring Prospectus-I:

Sr. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (in years)	Other directorships
1.	<p>Damodarannair Sundaram</p> <p>Designation: Chairman and Non-executive Independent Director</p> <p>Date of birth: April 16, 1953</p> <p>Address: 1191, Tower 1, Embassy Lake Terraces, Bellary Road, Kempapura Hebbal, Bangalore North, PO: H.a. Farm, Bengaluru – 560 024, Karnataka</p> <p>Occupation: Professional</p> <p>Current term: Period of 2 years from March 20, 2024 and ending on March 20, 2026.</p> <p>Period of directorship: Since March 20, 2024</p> <p>DIN: 00016304</p>	72	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <ul style="list-style-type: none"> Crompton Greaves Consumer Electricals Limited Infosys Limited <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> TVS Capital Funds Private Limited (formerly known as Geeyes Capital Funds Private Limited) Zurich Kotak General Insurance Company (India) Limited Schneider Electric India Private Limited <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>
2.	<p>Arijit Sanyal</p> <p>Designation: Managing Director and Chief Executive Officer</p> <p>Date of birth: January 30, 1977</p> <p>Address: 1703, Tower D, Ashok Towers, Dr. Babasaheb Ambedkar Marg, Parel, Mumbai – 400 012, Maharashtra</p> <p>Occupation: Service</p> <p>Current term: Period of 5 years from January 17, 2025. Not liable to retire by rotation.</p> <p>Period of directorship: Since January 17, 2020</p> <p>DIN: 08386684</p>	48	<p>Indian companies:</p> <p>Nil</p> <p>Foreign companies:</p> <p>Northumberland Capital Limited, incorporated in England, United Kingdom.</p>
3.	<p>Abhijit Sen</p> <p>Designation: Non-executive Independent Director</p>	74	<p>Indian companies:</p> <p><u>Listed companies:</u></p>

Sr. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (in years)	Other directorships
	<p>Date of birth: November 17, 1950</p> <p>Address: A92, Grand Paradi, 572 Dadyseth Hill, August Kranti Marg, Near Kemp's Corner, Mumbai- 400 036, Maharashtra</p> <p>Occupation: Professional</p> <p>Current term: Period of 2 years from March 20, 2024 till March 20, 2026.</p> <p>Period of directorship: Since March 20, 2024</p> <p>DIN: 00002593</p>		<ul style="list-style-type: none"> Kalyani Forge Limited Manappuram Finance Limited <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> Pramerica Life Insurance Limited Asirvad Micro Finance Limited <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>
4.	<p>Bharat Dhirajlal Shah</p> <p>Designation: Non-executive Independent Director</p> <p>Date of birth: February 18, 1947</p> <p>Address: 21 Hill Park, Bldg No. 2, A.G. Bell Marg, Malabar Hill, Mumbai – 400 006, Maharashtra</p> <p>Occupation: Professional</p> <p>Current term: Period of 2 years from March 20, 2024 and ending March 20, 2026.</p> <p>Period of directorship: Since March 20, 2024</p> <p>DIN: 00136969</p>	78	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <p>Onesource Specialty Pharma Limited</p> <p><u>Unlisted companies:</u></p> <p>Salisbury Investments Private Limited</p> <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>
5.	<p>Anuranjita Kumar</p> <p>Designation: Non-executive Independent Director</p> <p>Date of birth: November 2, 1971</p> <p>Address: W30074, Wellington Estate DLF, Phase-5, Gurugram – 122 009, Haryana</p> <p>Occupation: Professional</p> <p>Current term: Period of 2 years from March 20, 2024 and ending on March 20, 2026.</p> <p>Period of directorship: Since March 20, 2024</p> <p>DIN: 05283847</p>	53	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <ul style="list-style-type: none"> TBO Tek Limited Acme Solar Holdings Limited ICRA Limited <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> Northcap Services Private Limited Hero Fincorp Limited <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <ul style="list-style-type: none"> Northcap Services FZCO (Dubai, UAE), incorporated in Dubai, UAE.
6.	<p>V S Rangan⁺</p> <p>Designation: Non-executive Director</p> <p>Date of birth: February 13, 1960</p>	65	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <ul style="list-style-type: none"> HDFC Bank Limited

Sr. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (in years)	Other directorships
	<p>Address: Flat No. C-1003, Ashok Towers, Dr. Babasaheb Ambedkar Marg, Parel, Mumbai – 400 012, Maharashtra</p> <p>Occupation: Service</p> <p>Current term: Since December 24, 2009. Liable to retire by rotation.</p> <p>Period of directorship: Since December 24, 2009</p> <p>DIN: 00030248</p>		<ul style="list-style-type: none"> HDFC Asset Management Company Limited <p><u>Unlisted companies:</u></p> <p>Nil</p> <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>
7.	<p>Ashish Agrawal[#]</p> <p>Designation: Non-executive Director</p> <p>Date of birth: March 22, 1973</p> <p>Address: D 3403, Ashok Towers, Dr. SS Rao Road, Opposite Gandhi Hospital, Parel, Mumbai – 400 012, Maharashtra</p> <p>Occupation: Service</p> <p>Current term: Since March 20, 2024. Liable to retire by rotation.</p> <p>Period of directorship: Since March 20, 2024</p> <p>DIN: 00163344</p>	52	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <p>Nil</p> <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> Asian Institute of Gastroenterology Private Limited Indira IVF Hospital Limited <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>
8.	<p>Jimmy Mahtani[#]</p> <p>Designation: Non-executive Director</p> <p>Date of birth: October 27, 1976</p> <p>Address: 1 Chatsworth Road, 20th Floor, Unit 23, Singapore – 249 745</p> <p>Occupation: Service</p> <p>Current term: Since March 20, 2024. Liable to retire by rotation.</p> <p>Period of directorship: Since March 20, 2024</p> <p>DIN: 00996110</p>	48	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <ul style="list-style-type: none"> Sagility India Limited <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> Indira IVF Hospital Limited IGT Solutions Private Limited Asian Institute of Gastroenterology Private Limited CitiusTech Healthcare Technology Private Limited <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <ul style="list-style-type: none"> Fort Topco, Inc., incorporated in Delaware, US Fort Finance, Inc., incorporated in Delaware, US

Sr. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (in years)	Other directorships
			<ul style="list-style-type: none"> Virtusa SuperHoldCo, Inc., <i>incorporated in Delaware, US</i> Global Content Alpha Partners Pte. Ltd., <i>incorporated in Singapore</i> Sion Investment Holdings Pte. Ltd., <i>incorporated in Singapore</i> BPEA VI Holdings II Pte. Ltd., <i>incorporated in Singapore</i>
9.	<p>Rajnish Kumar[#]</p> <p>Designation: Non-executive Director</p> <p>Date of birth: January 14, 1958</p> <p>Address: F-202 Ambience Caitriona, Near Ambience mall, Sector 24, DLF Phase-III, Gurgaon – 122 010, Haryana</p> <p>Occupation: Professional</p> <p>Current term: Since March 20, 2024. Liable to retire by rotation.</p> <p>Period of directorship: Since March 20, 2024</p> <p>DIN: 05328267</p>	67	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <ul style="list-style-type: none"> Ambuja Cements Limited Hero Motocorp Limited Larsen and Toubro Limited <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> Resilient Innovations Private Limited Multiples Equity Fund Trustee Private Limited <p><u>Not-for-profit companies:</u></p> <ul style="list-style-type: none"> Lighthouse Communities Foundation <p>Foreign companies:</p> <ul style="list-style-type: none"> Brookprop Management Services Private Limited, <i>incorporated in India as a subsidiary of a foreign company</i> Mastercard India Services Private Limited, <i>incorporated in India as a subsidiary of a foreign company</i> HSBC Asia Pacific (Hong Kong), <i>incorporated in Hong Kong</i>
10.	<p>Satish Kumar Pillai[#]</p> <p>Designation: Non-executive Director</p> <p>Date of birth: April 28, 1971</p> <p>Address: 402-A, Serenity, 2nd Hasnabad Lane, Santacruz West, Mumbai – 400 054, Maharashtra</p> <p>Occupation: Professional</p> <p>Current term: Since June 28, 2024. Liable to retire by rotation.</p> <p>Period of directorship: Since June 28, 2024</p> <p>DIN: 03511106</p>	54	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <p>Nil</p> <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> Docufuai Solutions Private Limited <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>
11.	<p>Seung Hyo Han[*]</p> <p>Designation: Non-executive Director</p>	49	<p>Indian companies:</p> <p><u>Listed companies:</u></p>

Sr. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (in years)	Other directorships
	<p>Date of birth: April 1, 1976</p> <p>Address: 309-dong 2602-ho, Samseong-ro 11, Gangnamgu, Seoul, Republic of Korea</p> <p>Occupation: Service</p> <p>Current term: Since June 28, 2024. Liable to retire by rotation.</p> <p>Period of directorship: Since June 28, 2024</p> <p>DIN: 10686686</p>		<p>Nil</p> <p><u>Unlisted companies:</u></p> <p>Nil</p> <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>
12.	<p>Ankit Singhal[^]</p> <p>Designation: Non-executive Director</p> <p>Date of birth: January 1, 1985</p> <p>Address: B-1302, Meera CHS, Off Link Road, near Oshiwara Police Station, Jogeshwari West, Mumbai – 400 102, Maharashtra</p> <p>Occupation: Service</p> <p>Current term: Since November 12, 2024. Liable to retire by rotation.</p> <p>Period of directorship: Since November 12, 2024.</p> <p>DIN: 09776472</p>	40	<p>Indian companies:</p> <p><u>Listed companies:</u></p> <p>Nil</p> <p><u>Unlisted companies:</u></p> <ul style="list-style-type: none"> Varthana Finance Private Limited Bandhan AMC Limited <p><u>Not-for-profit companies:</u></p> <p>Nil</p> <p>Foreign companies:</p> <p>Nil</p>

Nominee of Kopvoorn B.V.

[^] Nominee of Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.

* Nominee of Shinhan Bank.

+ Nominee of HDFC Bank Limited.

Brief biographies of our Directors

Damodarannair Sundaram is the Chairman and Non-executive Independent Director of our Company. He holds a bachelor's degree in commerce and a master's degree in management sciences from the University of Madras. He is a fellow member of the Institute of Cost Accountants of India. He has also completed the advanced management program from the Harvard Business School. He has been associated with our Company since March 20, 2024. Previously, he was associated with Hindustan Unilever Limited since June 1975, serving in various roles within and outside India and retired as the vice chairman and chief financial officer in Fiscal 2010. He was also associated with TVS Capital Funds Private Limited in the capacity of the managing director and vice chairman for over 11 years, and separately in the capacity of the non-executive vice chairman for three years. He has won the prestigious 'CFO of the Year for FMCG Sector' awarded by CNBC TV18 in the past. He currently serves as a director on the boards of TVS Capital Funds Private Limited, Infosys Limited, Crompton Greaves Consumer Electricals Limited, Zurich Kotak General Insurance Company (India) Limited, and Schneider Electric India Private Limited. Damodarannair Sundaram is also a member of the governing council of KREA University. Additionally, he has been a member of the board of governors of Institute of Financial Management and Research, since 2005. He has over four decades of experience in corporate finance, strategy, operations and general management.

Arijit Sanyal is the Managing Director and Chief Executive Officer of our Company. He holds a master's degree of science in finance from the London Business School. He has been associated with our Company since December 12, 2019 as the Chief Executive Officer and was later appointed as the Managing Director and Chief Executive Officer on January 17, 2020 and re-appointed with effect from January 17, 2025. Earlier, he was associated with the erstwhile HDFC Limited from 2001 till 2011 and from 2017 till 2019 serving under various roles including as the head of strategic planning and new initiatives department, and branch manager at the

organisation's London office. He has also served as the chief of staff and the head of product at OakNorth Bank Limited. Additionally, he was associated with Nomura International PLC and HSBC Bank PLC. He currently serves as the director on the board of Northumberland Capital Limited. He has over 21 years of experience in the financial services and banking sector with experience across retail, investment and corporate banking.

Abhijit Sen is an Independent Director of our Company. He holds a bachelor's degree in technology (electronics and electrical communication - honours) from the Indian Institute of Technology, Kharagpur and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He has been associated with our Company since March 20, 2024. He also serves as an independent external expert/advisor on the internal investment approval committee and served on the risk management committee of the NSE. He was associated with Citibank N.A. India for a period of 18 years and served as its managing director and chief financial officer. He was also associated with Ernst and Young as an advisor. Additionally, he served on the board of National Securities Depository Limited, IDFC First Bank Limited, Indiafirst Life Insurance Company Limited, Trent Limited, Ugro Capital Limited, Ujjivan Financial Services Limited and has been an Advisor to General Atlantic. He has over 25 years of experience in banking and financial services, NBFC policy, governance, regulatory compliance and operations with a special focus on balance sheet optimization and capital planning.

Bharat Dhirajlal Shah is an Independent Director of our Company. He holds a certificate in financial management from the University of Bombay and a national diploma in applied chemistry from the Borough Polytechnic, London. He has been associated with our Company since March 20, 2024. He joined HDFC Bank Limited as an executive director at the time of its incorporation in December 1994. He was one of the founders of HDFC Bank Limited and managed the following functions as a member of the organisation's top management: (a) merchant services; (b) human resources; (c) retail banking, (d) infrastructure and custody and depository, until his retirement in March 2007. Thereafter, he was associated with HDFC Bank Limited from March 2007 to August 2020 as an advisor. He also served as the chairman of HDFC Securities Limited and as a director on the board of Spandana Sphoorthy Financial Limited, Tata Play Limited, Hexaware Technologies Limited, HDFC Securities Limited, Digikredit Finance Private Limited and Strides Pharma Science Limited. He is presently the chairman of 3M India Limited and has served, in the past, as the chairman on the boards of Hathway Cables, Datacom Limited and Exide Industries Limited. He has over 26 years of experience in financial services, strategy, banking, finance, real estate and securities market.

Anuranjita Kumar is an Independent Director of our Company. She holds a bachelor's degree in arts (honors) from the University of Delhi, and a bachelor's degree in management from XLRI Jamshedpur specializing in human resources. She has been associated with our Company since March 20, 2024. Previously, she has held leadership roles at NatWest Group, and Citibank N.A. She was recognized by World HRD Congress, Economic Times and House of Rose Professionals for her contributions to human resources management function. She currently serves as a director on the boards of Hero FinCorp Limited, Acme Solar Holdings Limited, TBO TEK Limited, Northcap Services Private Limited, ICRA Limited, and Northcap Services FZCO (Dubai, UAE). She has over 17 years of experience in human resource management and organisational development.

V S Rangan is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce (honours course) from the University of Delhi and is an associate member of the Institute of Chartered Accountants of India. He has also completed the final examinations held by the Institute of Cost and Works Accountants of India. He has been associated with our Company since December 24, 2009. He is currently an executive director of HDFC Bank Limited and was the whole-time director of the erstwhile HDFC Limited since January 2010 until it got amalgamated with HDFC Bank Limited in 2023. He was associated with the erstwhile HDFC Limited since 1986, until it got amalgamated with HDFC Bank Limited in 2023, in various roles including chief financial officer, and executive director. He was conferred with the 'Best CFO in the Financial Sector for 2010' award by the ICAI. He was also honoured with 'Lifetime Achievement Award at the Financial Express CFO Awards 2023. He previously served as a director on the boards of HDFC Trustee Company Limited, Atul Limited, TVS Credit Services Limited, Computer Age Management Services Limited and HT Parekh Foundation. He is currently serving as director on the board of HDFC Bank Limited, and HDFC Asset Management Company Limited. He has over 38 years of experience in finance, accounting, audit and assurance, strategy, economic analysis, corporate governance and risk management.

Ashish Agrawal is a Non-Executive Director of our Company. He holds a bachelor's degree in engineering with specialization in electronics from the Shree Govindram Seksaria Institute of Technology and Science, Indore and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is also a charter holder of the Chartered Financial Analyst Institute. He has been associated with our Company since March 20, 2024. Previously, he was employed by EQT Partners Asia Pte. Limited (formerly Baring Private Equity Asia Pte

Limited) from October 1, 2008 to June 30, 2009 to evaluate investment opportunities in India. He was subsequently transferred to EQT Partners India Private Limited (formerly BPEA Advisors Private Limited) since July 1, 2009 and is one of the members of the founding team of the organisation's team in India. He is currently designated as a partner at EQT Partners India Private Limited and is responsible for managing investments in the industrial technology, healthcare and services sectors. He is also a director on the boards of Asian Institute of Gastroenterology Private Limited and Indira IVF Hospital Limited. Prior to his experience at EQT Partners Asia Pte. Limited, he was associated with Lehman Brothers, CMC Limited, JM Morgan Stanley, ICICI Securities and Finance Company Limited, and Bank of America, N.A. He has 28 years of experience in corporate finance and strategy.

Jimmy Mahtani is a Non-Executive Director of our Company. He holds a bachelor's degree in science (business administration - honors) from the Georgetown University with a triple major in finance, international business and marketing. He has been associated with our Company since March 20, 2024. In the past he was associated with General Atlantic from March 2000 till December 2005, and EQT Partners Hong Kong Limited (formerly Baring Private Equity Asia Limited) from February 1, 2006 to July 31, 2009 and was involved in evaluating investment opportunities in India. He was subsequently transferred to EQT Partners Asia Pte. Limited since August 1, 2009. He is the founding member of the organisation's team in India. He is currently designated as a partner and the chairman of South & Southeast Asia, EQT Private Capital Asia and is responsible for managing investments in the technology, healthcare and financial services sectors. Additionally, he has been a member of the portfolio performance review committee since January 1, 2020 and the investment committee since January 1, 2022, at EQT Partners Asia Pte. Limited. Further, he currently serves on the boards of Sagility India Limited, Citius Tech Healthcare Technology Private Limited, Virtusa SuperHoldCo, Inc, IGT Solutions Private Limited, Asian Institute of Gastroenterology Private Limited and Indira IVF Hospital Limited. He has over 24 years of experience in private equity investing.

Rajnish Kumar is a Non-Executive Director of our Company. He holds a master's degree of science in physics from Meerut Vishwavidyalaya and is a certified associate member of the Indian Institute of Bankers. He has been associated with our Company since March 20, 2024. Rajnish Kumar has worked for over four decades in State Bank of India and has also served in multiple roles including as its chairman, deputy managing director, managing director, vice president of credit department in Canada, regional head of operations in United Kingdom and chief general manager of north-east India. In the past, he has also served as a director on the board of directors of SBI Life Insurance Company Limited, SBI Foundation, SBI Capital Markets Limited, SBI Cards and Payments Services Limited. He currently serves as a director on the boards of HSBC Asia Pacific (Hong Kong), Hero MotoCorp Limited, Ambuja Cements Limited, Brookprop Management Services Private Limited, Lighthouse Communities Foundation, Multiples Equity Fund Trustee Private Limited, and Larsen and Toubro Limited. He is also a director and the chairman of Resilient Innovations Private Limited and Mastercard India Services Private Limited and a representative of the Industrial Finance Corporation of India on the board of governors of Management Development Institute Society. He has over four decades of experience in banking sector with expertise in corporate credit and project finance.

Satish Pillai is a Non-Executive Director of our Company. He holds a master's degree in arts from the University of Florida. He has been associated with our Company since June 28, 2024. Previously, he was associated as the managing director of NielsenIQ's India Private Limited, and the managing director and chief executive officer at TransUnion CIBIL Limited. He has over 16 years of experience in financial services and retail information management services business.

Seung Hyo Han is a Non-Executive Director of our Company. He holds a bachelor's degree in business administration from the Kyungpook National University. He has been associated with our Company since June 28, 2024. He is currently the general manager of Shinhan Bank. In the past, he has been associated with the affiliates and branches of Shinhan Bank in various roles including as the senior manager of its small medium enterprises business department and as the new business department head of Shinhan Vietnam Finance Company. Further, he served as the general manager of Shinhan Bank's (a) head office located in Vietnam, (b) Thai Nguyen branch, (c) digital banking division, and (d) India head office. He was also associated with Shinhan Bank as the deputy manager of the (a) Thai Nguyen branch, (b) Hanoi branch, and (c) Shinhan promotion department. He has over 22 years of experience in corporate and personal finance, sales management and digital innovation in banking industry.

Ankit Singhal is a Non-executive Director of our Company. He holds a bachelor's degree in technology (electronics and electrical communications engineering – honours) from the Indian Institute of Technology, Kharagpur and a post graduate diploma in management from the Indian Institute of Management, Bengaluru. He

has also cleared all levels of chartered financial analyst and chartered alternative investment analyst examinations. He has been associated with our Company since November 12, 2024. Previously, he was associated with GIC Private Equity, AJ Capital, KPMG India Private Limited, Shell Technologies India Private Limited, Whitetail Asia Pte. Limited and Blackstone Group International Limited. Later, he joined ChrysCapital as vice president and is currently serving as its managing director. He also currently serves on the board of Varthana Finance Private Limited and Bandhan AMC Limited. He has over 14 years of experience largely across private equity and in oil & gas and M&A consultancy.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for (i) Rajnish Kumar, Satish Pillai, Jimmy Mahtani and Ashish Agrawal who have been appointed as nominees of Kopvoorn B.V.; (ii) Ankit Singhal, who has been appointed as a nominee of Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners; (iii) Seung Hyo Han, who has been appointed as a nominee of Shinhan Bank, pursuant to the shareholders agreement dated June 19, 2023, read with the letter agreement dated March 18, 2024, as amended and modified pursuant to the deed of adherence dated April 3, 2024 and second deed of adherence dated October 14, 2024 ; and (iv) V S Rangan who has been appointed as a nominee of HDFC Bank Limited, and our Articles of Association, there are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management as on the date of this Updated Draft Red Herring Prospectus-I.

Relationship between our Directors and Key Managerial Personnel or Senior Management Personnel

None of our Directors are related to each other or any other Key Managerial Personnel or Senior Management Personnel in our Company.

Confirmations

Except as disclosed below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company:

Jimmy Mahtani								
Name of the company	Name of the stock exchange(s) on which the company was listed	Date of delisting on stock exchange	Whether the delisting was compulsory or voluntary	Reasons for delisting	Whether the company has been relisted	Date of relisting, in the event the company is relisting	Name of the stock exchange(s) on which the company was relisted	Term of directorship (along with relevant dates) in the company
Hexaware Technologies Limited	BSE and NSE	November 9, 2020	Voluntary	Voluntarily delisting offer	Yes	February 19, 2025	BSE and NSE	October 11, 2013 to November 10, 2021

Abhijit Sen								
Name of the company	Name of the stock exchange(s) on which the company was listed	Date of delisting on stock exchange	Whether the delisting was compulsory or voluntary	Reasons for delisting	Whether the company has been relisted	Date of relisting, in the event the company is relisting	Name of the stock exchange(s) on which the company was relisted	Term of directorship (along with relevant dates) in the company
Eserve International Limited	BSE and NSE	December 22, 2004	Voluntary	Delisted through open offer and subsequently sold to TCS group	No	NA	NA	August 25, 1998 to January 1, 2009

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Updated Draft Red Herring Prospectus-I, whose shares have been or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors appear in the list of directors of struck-off companies by Registrar of Companies / Ministry of Corporate Affairs.

No consideration, either in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as Wilful Defaulters or Fraudulent Borrowers.

Terms of appointment of Executive Director

Arijit Sanyal, Managing Director and Chief Executive Officer

Arijit Sanyal was appointed as the Managing Director and Chief Executive Officer of our Company with effect from January 17, 2020 till January 16, 2025. He was further re-appointed as the Managing Director and Chief Executive Officer of our Company with effect from January 17, 2025, pursuant to a resolution passed by our Board of Directors and our Shareholders at their meetings held on January 16, 2025 and March 5, 2025 respectively, based on the recommendation of the NRC. The details of the remuneration payable to him and perquisites available to him during the term of his office, in terms of the agreement dated January 17, 2025 is set out below:

Remuneration and Perquisites Payable	Terms
Salary	Within the range of ₹ 3,500,000.00 to ₹ 12,000,000.00 per month.
Commission	Commission per annum shall be equivalent to such sums as may be fixed by the Board or the Nomination and Remuneration Committee of our Company, subject to a ceiling of annual salary as mentioned above.
Perquisites	They include: <ul style="list-style-type: none"> (a) Rent free furnished accommodation including upkeep and maintenance of ₹ 300,000.00 per month. (b) Leave travel allowance of ₹ 10,000.00 per month. (c) Reimbursement of telephones for our Company's business (expenses whereof would be borne and paid by our Company on actuals) subject to limit of ₹ 10,000.00 per month. (d) Reimbursement of gas, electricity & water charges subject to limit of ₹ 10,000.00 per month. (e) Payment of premium for medical insurance for self and family members and payment of premium on term life insurance and personal accident on actuals (f) Car with driver for personal and official use on actuals (g) Club fees for one club and such other perquisites, subject to limit of ₹ 1,000,000.00 per annum. (h) Contribution to provident fund, superannuation fund and gratuity as per relevant policies / schemes / rules of our Company.
Employee Stock Options	Arijit Sanyal shall also be eligible for stock options under employee stock option scheme(s) as may be approved by the Board and/ or Nomination and Remuneration Committee of our Company, from time to time.

The Board is authorised to alter and vary the terms and conditions of Arijit Sanyal's re-appointment subject to the remuneration payable to Arijit Sanyal not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act pursuant to resolution passed by the Shareholders at their meeting dated March 5, 2025.

Remuneration to Executive Director

The details of remuneration including commission paid to the Executive Director of our Company for the Fiscal 2025 are as follows:

Name of Executive Director	Remuneration, including commission (in ₹ million)
Arijit Sanyal	120.32*

**The said remuneration includes commission for Fiscal 2024 paid in Fiscal 2025. Further, the remuneration also includes deferred compensation for Fiscal 2024.*

Payment or benefit to Non-executive Directors of our Company

Our Non-executive Directors are entitled to sitting fees for attending meetings of the Board and the Committees. Pursuant to a resolution passed by our Board of Directors at their meeting held on March 26, 2022, each of the Non-executive Directors of our Company is entitled to a sitting fee of ₹0.1 million for attending each meeting of our Board and of the committees of our Board. Additionally, our Non-executive Directors may also be entitled to remuneration by way of profit-related commission, as the Board of Directors and the Shareholders may decide from time to time, in accordance with the Companies Act.

Compensation to Non-executive Directors of our Company

The details of compensation, including sitting fees and commission paid to the Non-executive Directors of our Company during the Fiscal 2025 are as follows:

Name of Director	Remuneration (in ₹ million)	
	Sitting Fees	Commssion
Damodarannair Sundaram	2.50	Nil
Abhijit Sen	2.40	Nil
Bharat Dhirajlal Shah	1.60	Nil
Anuranjita Kumar	1.80	Nil
V S Rangan	Nil	Nil
Ashish Agrawal	Nil	Nil
Jimmy Mahtani	Nil	Nil
Rajnish Kumar	1.40	Nil
Satish Pillai	1.00	Nil
Seung Hyo Han	Nil	Nil
Ankit Singhal	Nil	Nil

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Updated Draft Red Herring Prospectus-I, is set forth below:

Sr. No.	Name of the Director	Number of equity shares of face value ₹ 10 each	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	Arijit Sanyal	1*	Negligible

** Holds one Equity Share of face value ₹ 10 as a nominee of Infinity Partners.*

Borrowing Powers

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on June 9, 2025, our Board is authorised to borrow any sum or sums of money for and on behalf of the Company from time to time which together with monies already borrowed do not exceed the sum of ₹650,000.00 million.

In the event our Company proposes to borrow sums in excess of such limits prescribed by the Companies Act, we will be required to obtain the consent of our shareholders through a special resolution.

Interests of Directors

Certain of our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Certain of our 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, pursuant to the Offer and to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners. For details, see “*Summary of the Offer Document – Summary of Related Party Transactions*” on page 34.

As on the date of this Updated Draft Red Herring Prospectus-I, none of our Directors have any interest in any venture that is involved in activities similar to those conducted by our Company.

Except for V S Rangan who is an executive director and shareholder of HDFC Bank Limited which is one of the third-party service providers of our Company, there is no conflict of interest between the third party service providers or lessors of the immovable properties (crucial for operations of the Company) and our Directors, as on the date of this Updated Draft Red Herring Prospectus-I.

None of our Directors have any interest in promotion or formation of our Company as on the date of this Updated Draft Red Herring Prospectus-I.

(i) *Interest in property*

Except as disclosed under – “*Interest in property, land, construction of building and supply of machinery*”, our Directors do not have any interest in any property acquired by our Company, or proposed to be acquired by our Company.

(ii) *Business interest*

Except as stated in “*Summary of the Offer Document – Summary of Related Party Transactions*” on page 34, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

(iii) *Loans to Directors*

No loans have been availed by the Directors from our Company.

(iv) *Bonus or profit sharing plan for the Directors*

None of the Directors are a party to any bonus or profit-sharing plan of our Company.

(v) *Service contracts with Directors*

Except as stated in “*Our Management – Termination Benefits*”, there are no service contracts executed by our Company with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

(vi) *Interest in property, land, construction of building and supply of machinery*

Our Directors do not have any interest in any property acquired by our Company in the three years preceding the date of this Updated Draft Red Herring Prospectus-I or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Changes in the Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Updated Draft Red Herring Prospectus-I are set forth below:

Name	Date of appointment / change / cessation	Reason
Ankit Singhal [^]	November 12, 2024	Appointed as a Non-executive Director
Sanjay Kukreja	November 11, 2024	Resigned as a Non-executive Director due to pre-occupation
Satish Kumar Pillai [#]	June 28, 2024	Appointed as a Non-executive Director
Seung Hyo Han [#]	June 28, 2024	Appointed as a Non-executive Director
Kosmas Kalliarekos	June 28, 2024	Resignation as a Non-executive Director due to pre-occupation
Damodarannair Sundaram [*]	March 20, 2024	Appointed as the Chairman and Non-executive Independent Director
Rajnish Kumar [*]	March 20, 2024	Appointed as a Non-executive Director
Jimmy Mahtani [*]	March 20, 2024	Appointed as a Non-executive Director
Ashish Agrawal [*]	March 20, 2024	Appointed as a Non-executive Director
Anuranjita Kumar [*]	March 20, 2024	Appointed as a Non-executive Independent Director
Bharat Dhirajlal Shah [*]	March 20, 2024	Appointed as a Non-executive Independent Director
Abhijit Sen [*]	March 20, 2024	Appointed as a Non-executive Independent Director
Sanjay Kukreja [*]	March 20, 2024	Appointed as a Non-executive Director
Kosmas Kalliarekos [*]	March 20, 2024	Appointed as a Non-executive Director
Rajesh Narain Gupta	March 20, 2024	Pursuant to the SHA and the RBI approval in relation to change in control and consequent reconstitution of the Board of our Company dated February 23, 2024, Rajesh Narain Gupta resigned as an Independent Director from our Board
Biswamohan Mahapatra	March 20, 2024	Pursuant to the SHA and the RBI approval in relation to change in control and consequent reconstitution of the Board of our Company dated February 23, 2024, Biswamohan Mahapatra resigned as an Independent Director from our Board
Madhumita Ganguli	March 20, 2024	Pursuant to the SHA and the RBI approval in relation to change in control and consequent reconstitution of the Board of our Company dated February 23, 2024, Madhumita Ganguli resigned as a Non-executive Director from our Board
Sunil Manubhai Shah	March 20, 2024	Pursuant to the SHA and the RBI approval in relation to change in control and consequent reconstitution of the Board of our Company dated February 23, 2024, Sunil Manubhai Shah resigned as an Independent Director from our Board
Subodh Salunke	June 29, 2022	Retired by rotation at the AGM and not re-appointed

^{*}Regularised via resolution passed at the extra-ordinary general meeting dated March 20, 2024.

[#]Regularised via resolution passed at the extra-ordinary general meeting dated June 28, 2024.

[^] Regularised via resolution passed at the extra-ordinary general meeting dated December 23, 2024.

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, NBFC Scale Based Regulation, the Companies Act, in respect of corporate governance including constitution of our Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations, NBFC Scale Based Regulation and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors detailed reports on its performance periodically.

As on the date of this Updated Draft Red Herring Prospectus-I, our Board has twelve directors, comprising one managing director and eleven non-executive directors, of whom four are independent directors, including one-woman independent director.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute other committees for various functions.

I. Audit Committee

The members of the Audit Committee are:

1. Abhijit Sen, *Chairperson*
2. Ashish Agrawal, *Member*
3. V S Rangan, *Member*
4. Damodarannair Sundaram, *Member*
5. Anuranjita Kumar, *Member*
6. Bharat Dhirajlal Shah, *Member*

The Audit Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on October 20, 2010 and was last re-constituted on April 2, 2024. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulations 18 and 62F of the SEBI Listing Regulations read with part C of Schedule II of the SEBI Listing Regulations, and its terms of reference, as last amended pursuant to a resolution of the Board of Directors in its meeting held on May 16, 2025, are as following:

- (i) The Audit Committee shall have powers, which should include the following:
 - (a) Investigate any activity within the terms of reference;
 - (b) Seek information from employees;
 - (c) Obtain outside legal counsel or other professional advice and secure their attendance if necessary;
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary;

- (e) Call for comments of the auditors on the internal control systems, scope of audit, including observations of auditors and review of financial statements before their submission to the Board and also discuss any related issues with the internal and statutory auditors and the management of the Company; and
 - (f) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.
- (ii) The role of the Audit Committee shall include the following:
- (a) The following matters as specified under the Companies Act, 2013 and Rules made there under and SEBI Listing Obligation and Disclosure Requirement Regulation, 2015:
 - a. 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;
 - b. Recommend to the Board the appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company;
 - c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - d. Review and monitor the auditor's independence and performance and effectiveness of the audit process;
 - e. Scrutiny of inter corporate loans and investments;
 - f. Valuation of undertakings or assets of the company, wherever it is necessary
 - g. Evaluation of the internal financial controls and risk management systems;
 - h. 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 institutional placement, and making appropriate recommendations to the board to take up steps in this matter;
 - i. 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;
 - j. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - k. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary, if any, exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of investments;
 - l. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
 - m. Ensure establishment and proper functioning of the system for storage, retrieval, display or print out of the electronic records in respect of books of accounts of the Company, maintained in electronic mode;

- n. Oversee the vigil mechanism and review the adequate safeguards in place against victimization of employees and directors who avail of such mechanism and ensure adequate provision is there to provide direct access to the Chairman of the Committee, in appropriate or exceptional cases;
- o. Oversight of financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- p. Review with the Management, the annual financial statements and auditor's report, before submission to the Board for its approval, with particular reference to:
 - Matters to be included in directors responsibility statement to be included in the Board's report in terms of sub-section 3 of Section. 134 of the Companies Act, 2013.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by the management.
 - Significant adjustment made in financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Modified opinion(s) in the draft audit report.
- q. Review with management, the quarterly financial statements before submission to the Board for their approval;
- r. Review management discussion and analysis of financial condition and results of operations;
- s. Review Management letters/ letters of internal control weaknesses issued by the statutory auditors, if any;
- t. Review Internal audit reports relating to internal control weaknesses;
- u. Recommend to the Board the appointment, removal, remuneration and terms of appointment of Internal Auditors/ Head of Internal Auditor of the Company
- v. To formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The quality assurance program may include assessment of the internal audit function at least once in a year for adherence to the internal audit policy, objectives and expected outcomes.
- w. Review the adequacy of internal audit function and review the performance of the Risk Based Internal Audit (RBIA) including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of internal audit and to oversee the internal audit function in the Company
- x. To review and recommend/ approve the RBIA plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the Company's goals.
- y. Review statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

- z. Review with management, performance of internal/external auditor and adequacy of internal control systems;
 - aa. Discuss with internal auditors' significant findings and follow up thereon;
 - bb. Review findings of internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
 - cc. Discuss with statutory auditor before the audit commences about the nature and scope of audit and post audit discussions relating to any area of concern;
 - dd. Recommend to the Board the appointment, remuneration and terms of appointment of Secretarial Auditors of the Company;
 - ee. Annual review of results / outcome of updated macroeconomic model and suggesting changes in ECL computations;
 - ff. To review the functioning of the whistle blower mechanism;
 - gg. To formulate, review and make recommendations to the Board to amend the Audit Committee's terms of reference from time to time;
 - hh. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 - ii. Approval, review, 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;
- Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.
- jj. To review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given, if any;
 - kk. Ensuring an independent review of Information System Audit of the internal policies and procedures in accordance with applicable provisions of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 (as amended from time to time) read with the approved policies and procedures of the Company;
 - ll. To review the financial statements, in particular, the investments made by an unlisted subsidiary;
 - mm. approving the key performance indicators ("KPIs") for disclosure in the offer documents, and approval of KPIs as may be required under applicable law.
 - nn. Performing such other activities as may be delegated by the Board and any other issue within terms of reference under the relevant provisions of the Companies Act, 2013 the SEBI Regulations, RBI Master Directions, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority.

(iii) Other matters:

- a. Review of adherence to compliance with the KYC and AML Policy of the Company, assess the efficacy of the measures taken by the Company to prevent instances of material non-adherence and review serious lapses or intentional circumvention of prescribed procedures and guidelines laid by the Company in respect of KYC norms, by any employee or branch or department or agent, as the case may be; and
- b. The Committee shall review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

II. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Bharat Dhirajlal Shah, *Chairperson*
2. Jimmy Mahtani, *Member*
3. V S Rangan, *Member*
4. Damodarannair Sundaram, *Member*
5. Abhijit Sen, *Member*
6. Anuranjita Kumar, *Member*

The Nomination and Remuneration Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on October 20, 2010 and was last re-constituted on April 2, 2024. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulations 19 and 62G of the SEBI Listing Regulations and its terms of reference, as last amended pursuant to a resolution of the Board of Directors in its meeting held on May 16, 2025, are as following:

- (i) The NRC shall be vested with the following powers:-
 - (a) To obtain advice from auditors or lawyers or experts as it may deem appropriate and to secure their attendance; and
 - (b) To call for records, documents or seek explanations from Officer(s) of the Company or auditors or lawyers or experts as it may deem appropriate, whether or not as part of any investigation into violation of the policies of the Company.
- (ii) The role of the Nomination and Remuneration Committee shall include the following:

A. Nomination

- (a) The NRC shall identify persons who are qualified to become Directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and applicable law and recommend to the Board their appointment and removal;
- (b) The NRC shall formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a director and for evaluating their performance and to devise a policy on Board Diversity;
- (c) For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description

of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the NRC may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- (d) The NRC shall formulate and recommend to the Board a policy for ascertaining the fit and proper criteria at the time of appointment of Directors and on a continuing basis. The policy should be framed taking into account the guidelines issued by the RBI from time to time in this regard;
 - (e) The NRC shall ensure that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management;
 - (f) The NRC shall carry out evaluation of every Director's performance based on the criteria formulated by it and duly approved by the Board;
 - (g) The NRC shall recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - (h) The NRC shall review and ensure that the persons who are proposed to be appointed/ re-appointed as the Managing Directors of the Company meets the conditions as set out in Section 196 read with Part I to Scheduled V to the Companies Act, 2013 or any re-enactment or amendment or modification thereto;

B. Compensation:

- (a) The NRC shall formulate and recommend to the Board a Remuneration Policy ("**Policy**") for all Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of the Company;
- (b) Whilst formulating the said Policy, the NRC shall ensure the following:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the 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.
- (c) Review and approve the payment of remuneration of the Managing Directors and other Directors and ensure that such remuneration is within the overall limits as set out in Sections 197, read with Schedule V and other applicable provisions of the Companies Act, 2013 or any re-enactment or amendment or modification thereto and subject to such terms and conditions, as may be approved by the shareholders of the Company, from time to time;
- (d) Review and recommend to the Board the sitting fees payable to the non-executive directors of the Company for attending meetings of the Board or Committee(s) thereof and any increase thereof, within the overall limits prescribed under the Companies Act, 2013, from time to time;

- (e) The NRC shall recommend to the board, all remuneration, in whatever form, payable to senior management;
- (f) The NRC shall recommend to the Board, the adoption/modification in the Employee Stock Option Schemes of the Company, in accordance with the applicable provisions of the Companies Act, 2013, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws;
- (g) The NRC shall have the authority to administer, enforce the employee stock option schemes of the Company, including grant of options to eligible employees under the schemes, in accordance with the provisions of the Companies Act, 2013, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws
- (h) The NRC shall work in close coordination with Risk Management Committee (RMC) of the company to achieve effective alignment between compensation and risks;
- (i) The NRC shall ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP); and
- (j) The NRC shall perform such other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made there under or Master Directions, Circulars, Guidelines, and Notifications issued by RBI, SEBI Regulations or any other applicable laws, as amended from time to time.

III. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Jimmy Mahtani, *Chairperson*
2. Ankit Singhal, *Member*
3. V S Rangan, *Member*
4. Damodarannair Sundaram, *Member*

The Stakeholders' Relationship Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on October 20, 2021 and was last re-constituted on w.e.f November 12, 2024 pursuant to a resolution of the Board of Directors in its meeting held on November 11, 2024. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulations 20 and 62H of the Listing Regulations and its terms of reference, as last amended pursuant to a resolution of the Board of Directors in its meeting held on May 16, 2025, are as following:

- (i) The Stakeholders' Relationship Committee shall have powers, which should include the following:
 - (a) To obtain advice from auditors or lawyers or experts as it may deem appropriate and to secure their attendance; and
 - (b) To call for records, documents or seek explanations from Officer(s) of the Company or auditors or lawyers or experts as it may deem appropriate, whether or not as part of any investigation into violation of the policies of the Company.
- (ii) The role of the Stakeholders' Relationship Committee shall include the following:

- (a) Review the mechanism adopted for redressing the grievance of shareholders, debenture holders, other security holders and the status of such redressal;
- (b) Resolve the grievances of the security holders including but not limited to complaints related to transfer/ transmission of securities, non-receipt of annual report, non-receipt of interest/declared dividends, redemption, issue of new/ duplicate certificates, general meetings etc;
- (c) Review of measures taken for effective exercise of voting rights by security holders;
- (d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and to recommend measures for overall improvement in the quality of investor services;
- (e) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of interest/ dividend/ redemption amount /warrants/annual reports/statutory notices by the security holders of the company as per the regulatory requirements;
- (f) Give 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;
- (g) Consider and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;
- (h) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s); and
- (i) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations, or by any other regulatory authority.

IV. CSR & Sustainability Committee

The members of the CSR & Sustainability Committee are:

1. Anuranjita Kumar, *Chairperson*
2. Ashish Agrawal, *Member*
3. Ankit Singhal, *Member*

The CSR Committee was constituted by a meeting of the Board of Directors held on April 16, 2014 and was last reconstituted w.e.f November 12, 2024 pursuant to a resolution of the Board of Directors in its meeting held on November 11, 2024. Further, the Board at its meeting held on May 16, 2025 had accorded approval for change in nomenclature of the Committee from 'CSR Committee' to 'CSR & Sustainability Committee'.

The terms of reference of CSR & Sustainability Committee, as last amended pursuant to a resolution of the Board of Directors in its meeting held on May 16, 2025, are as following:

- (i) The CSR & Sustainability Committee shall have powers, which should include the following:
 - (a) The Committee has the authority to investigate into any matters concerning with or arising out of sustainability and CSR norms;

- (b) The Committee is authorised to obtain third party opinion on any matter on any matter concerning the sustainability and CSR norms or the CSR policy of the Company, as deemed appropriate and secure their attendance; and
 - (c) To call for records, documents or seek explanations from Officer(s) of the Company or auditors or lawyers or experts as it may deem appropriate, whether or not as part of any investigation into violation of the policies of the Company.
- (ii) The role of the CSR & Sustainability Committee shall include the following:
- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR policy), the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan, which shall inter alia indicate the activities/ projects/ programs that will be undertaken directly by the Company and/ or through the Foundation and/ or through any other entity involved in CSR activities in any of the areas as specified in Schedule VII to the Companies Act, 2013 in terms of the provisions of Section 135 of the Act and the CSR Rules;
 - (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
 - (c) Formulate and recommend an Annual Action Plan consisting of the CSR objective for the year, the list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013 to the Board, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken;
 - (d) Recommend to the Board, the amount of expenditure to be incurred on each of the CSR activities/ projects/ programs during each financial year;
 - (e) Approve and decide the areas where such CSR activities/ can be adopted, by giving preference to areas where the branches/ service centers of the Company are situated, subject to the terms and conditions or limits specified by any statutory/ regulatory authority, in this regard;
 - (f) To drive the Company's sustainability agenda at the Board level;
 - (g) Ensure the development and execution of a robust sustainability strategy at the Company;
 - (h) Coordinate the integration of the sustainability strategy into all critical decision-making processes across functions;
 - (i) Discuss, challenge, or approve the company's overall sustainability strategy;
 - (j) Monitor other sustainability-related topics relevant for the company and elevate the critical ones to the Board
 - (k) Formulate and adopt a transparent monitoring mechanism for the activities/ projects/ programs undertaken/ proposed to be undertaken by the Company or indirectly through the Foundation or through any other entity, in respect of the amounts allocated/ spent by it and its end use, in pursuance of the CSR Policy;

- (l) Approve the CSR report containing the disclosures as mandated under the CSR norms, before it is presented to the Board for its approval and inclusion in the Directors' report;
- (m) Provide for the manner in which the activities relating to CSR initiated by the Company including end use of funds by the Foundation or other NGOs can be conducted;
- (n) Review and monitor of implementation of the CSR programmes once in a year and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with the CSR policy of the Company;
- (o) Annually report to the Board, the status of the CSR activities and contributions made by the Company; and
- (p) To do all such acts, deeds, matters and things to ensure compliance with CSR norms and the CSR Policy, as amended, from time to time.

V. Risk Management Committee

The members of the Risk Management Committee are:

1. Rajnish Kumar, *Chairperson*
2. Ankit Singhal, *Member*
3. V S Rangan, *Member*
4. Damodarannair Sundaram, *Member*
5. Abhijit Sen, *Member*
6. Anuranjita Kumar, *Member*

The Risk Management Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on February 21, 2012 and was last re-constituted w.e.f November 12, 2024 pursuant to a resolution of the Board of Directors in its meeting held on November 11, 2024. The scope and function of the Risk Management Committee is in accordance with Regulation 62I of the Listing Regulations and its terms of reference, as last amended pursuant to a resolution of the Board of Directors in its meeting held on May 16, 2025, are as following:

- (i) The Risk Management Committee shall have powers, which should include the following:
 - (a) Investigate any activity within the terms of reference;
 - (b) Seek information from employees;
 - (c) Obtain outside legal counsel or other professional advice and secure their attendance if necessary; and
 - (d) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.
- (ii) The role of the Risk Management Committee shall include the following:
 - (a) Ensure formulation and implementation of the Risk Management Framework and Risk Management Policy reviewing the risk profile of the Company which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related

- risks), information, cyber security risks, liquidity risk, reputational risk or any other risk as may be determined by the Committee;
- b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - c. Business continuity plan.
- (b) Ensure that appropriate methodologies, processes, strategies, mechanisms and systems are in place to identify, monitor, assess / evaluate and mitigate the various risks associated with the business of the Company;
 - (c) Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
 - (d) Periodically review the Risk Management Policy, at least annually, or as and when required by considering the changing industry dynamics and evolving complexity and recommend for any amendment or modification thereof;
 - (e) Make a thorough internal assessment of the need for capital, commensurate with the risks in the business. This internal assessment shall be on similar lines as Internal Capital Adequacy Assessment Process (ICAAP) prescribed for commercial banks under Pillar 2. Internal capital assessment shall factor in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally. The methodology for internal assessment of capital shall be proportionate to the scale and complexity of operations as per the Board approved policy;
 - (f) Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (g) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
 - (h) Work in close coordination with Nomination and Remuneration Committee of the company to achieve effective alignment between compensation and risks;
 - (i) Approving a framework to evaluate the risks and materiality of all existing and prospective outsourcing and recommend policies to the Board in this regard;
 - (j) Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
 - (k) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
 - (l) Any other matters as may prescribed by RBI or any other regulatory body, as may be applicable from time to time; and
 - (m) Any other matters as the Board may delegate to the Committee from time to time.

VI. Allotment Committee

The members of the Allotment Committee are:

1. Ashish Agrawal, *Chairperson*
2. V S Rangan, *Member*
3. Arijit Sanyal, *Member*

The Allotment Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on June 1, 2013 and was last re-constituted on April 2, 2024.

- (i) The Allotment Committee shall have powers, which should include the following:
 - (a) Investigate any activity within the terms of reference.
 - (b) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
 - (c) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.
- (ii) The role of the Allotment Committee shall include the following:
 - (a) To ensure compliance with the Companies Act, 2013 and Rules made there under relating to the allotment of securities as may be issued by the Company from time to time.
 - (b) To oversee the process of application for issue of securities and decide on the allotment of securities.
 - (c) Any other matters as the Board may delegate to the Committee from time to time.

VII. IT Strategy Committee

The members of the IT Strategy Committee are:

1. Damodarannair Sundaram, *Chairperson*
2. Ankit Singhal, *Member*
3. Satish Kumar Pillai, *Member*
4. Arijit Sanyal, *Member*

The IT Strategy Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on July 12, 2017 and was last re-constituted w.e.f. November 12, 2024 pursuant to a resolution of the Board of Directors in its meeting held on November 11, 2024.

- (i) The IT Strategy Committee shall have powers, which should include the following:
 - (a) Investigate any activity within the terms of reference.
 - (b) Seek information from employees.
 - (c) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
 - (d) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.
 - (e) Any other matters as may be prescribed by RBI from time to time.
- (ii) The role of the IT Strategy Committee shall include the following:
 - (a) To ensure that the Company had put an effective IT strategic planning process in place.

- (b) Provide Guidance in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Entity towards accomplishment of its business objectives.
- (c) To ensure that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation.
- (d) To ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks.
- (e) To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Entities IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives.
- (f) Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning (BCP) and Disaster Recovery Management (DRM) of the Company.
- (g) Any other matters as may be prescribed by RBI from time to time.
- (h) Any other matters as the Board may delegate to the Committee from time to time.

VIII. Review Committee

The members of the Review Committee are:

1. Arijit Sanyal, *Chairperson*
2. Rajnish Kumar, *Member*
3. Ashish Agrawal, *Member*

The Review Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on September 17, 2024 and has not been re-constituted.

- (i) The Review Committee shall have powers, which should include the following:
 - (a) Investigate any activity within the terms of reference.
 - (b) Seek information from Identification Committee.
 - (c) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
 - (d) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.
 - (e) Any other matters as may be prescribed by RBI from time to time.
- (ii) The role of the Review Committee shall include the following:
 - (a) Review proposal(s) as recommended by the Identification Committee along with written representation(s) received from borrower(s) with respect to their classification as wilful defaulter(s).
 - (b) To schedule a personal hearing, if required, with the borrower(s) whose account is proposed to be classified as wilful defaulter(s).

- (c) To pass an order for the classification of borrower(s) account to wilful defaulter(s).
- (d) Any other matters as may prescribed by RBI or any other regulatory body, as may be applicable from time to time.
- (e) Any other matters as the Board may delegate to the Committee from time to time.

IX. Fund Raising Committee

The members of the Fund Raising Committee are:

1. Ashish Agrawal, *Chairperson*
2. Ankit Singhal, *Member*
3. V S Rangan, *Member*
4. Arijit Sanyal, *Member*

The Fund Raising Committee was constituted pursuant to a resolution of the Board of Directors in its meeting held on October 4, 2024 and was last re-constituted w.e.f. November 12, 2024 pursuant to a resolution of the Board of Directors in its meeting held on November 11, 2024.

- (i) The Fund Raising Committee shall have powers, which should include the following:
 - (a) To make applications to seek clarifications and obtain approvals from, where necessary, the SEBI, the Stock Exchanges, RBI, the Registrar of Companies or any other statutory or governmental authorities (“**Regulatory Authorities**”) as may be required, in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of the Regulatory Authorities while granting such approvals, permissions and sanctions as may be required and incorporate such modifications/amendments/alterations/corrections as may be required in the document that may be filed in relation to the Offer;
 - (b) To invite the existing shareholders of the Company to participate in the Offer, if undertaken, by offering for sale the Equity Shares held by them;
 - (c) All actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, in accordance with the Applicable Laws;
 - (d) To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank(s), refund bank(s) to the Offer, public offer account bank(s) to the Offer, advertising agencies, legal counsel, monitoring agency, grading agency, auditors, independent chartered accountants, industry data providers, and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLMs’ mandate letter, negotiation, finalisation, execution and, if required, amendment of the offer agreement with the BRLMs and the underwriting agreement with the underwriters;
 - (e) To negotiate, finalise, settle, execute and deliver or arrange the delivery of offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and any other agencies/intermediaries in connection with the

Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforementioned documents;

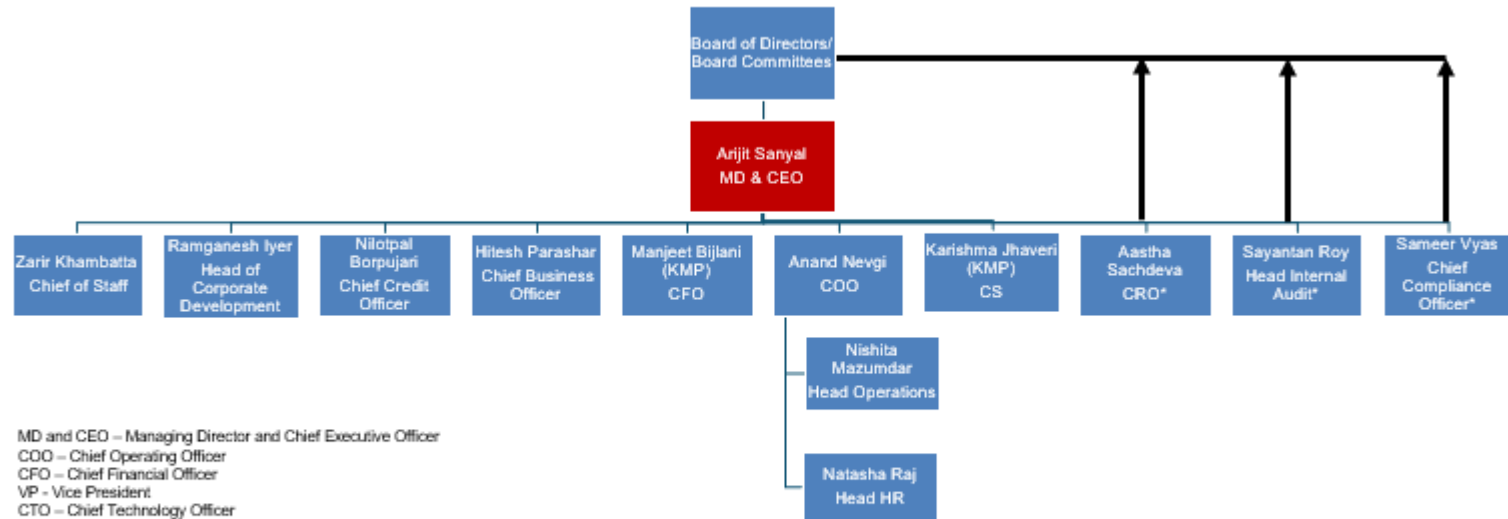
- (f) To decide in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, minimum bid lot, Offer Price, and to accept any amendments, modifications, variations or alterations thereto;
- (g) To take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval, notices and intentions received of the selling shareholders for offering their Equity Shares in the Offer for Sale allow revision of the Offer for Sale portion in case any selling shareholder decides to revise it, in accordance with the applicable laws;
- (h) to finalise, approve, adopt, deliver and arrange for, in consultation with the BRLMs, submission of the pre-filed draft red herring prospectus (“**PDRHP**”), updated draft red herring prospectus-I (“**UDRHP-I**”), updated draft red herring prospectus-II (“**UDRHP- II**”), the red herring prospectus (“**RHP**”), the prospectus, abridged prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and application forms, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the issue of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all Applicable Law;
- (i) To approve the relevant restated financial statements to be issued in connection with the Offer;
- (j) To seek, if required, the consent and waivers from the lenders of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;
- (k) To open and operate bank account(s) of the Company in terms of the cash escrow and sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (l) To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- (m) To approve code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements, as may be considered necessary or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
- (n) To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;
- (o) To approve suitable policies in relation to the Offer as may be required under Applicable Laws;
- (p) To approve any corporate governance requirement that may be considered necessary by the Board or the Fund Raising Committee or as may be required under Applicable Laws, in connection with the Offer;
- (q) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

- (r) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (s) To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer Price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the PDRHP, UDRHP-I, UDRHP-II, the RHP and the prospectus, in consultation with the BRLMs;
- (t) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
- (u) To withdraw the PDRHP or UDRHP-I or UDRHP-II or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with Applicable Laws;
- (v) To make applications for listing of Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (w) To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforementioned documents;
- (x) To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;
- (y) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;
- (z) To take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company;
- (aa) To approve the expenditure in relation to the Offer;
- (bb) To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the Fund Raising Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts

and things done or caused to be done by the Fund Raising Committee shall be conclusive evidence of the authority of the Fund Raising Committee in so doing; and

- (cc) To submit undertaking/certificates or provide clarifications to or obtain approvals and seek exemptions, if necessary, from the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed.

MANAGEMENT ORGANISATION CHART



MD and CEO – Managing Director and Chief Executive Officer
 COO – Chief Operating Officer
 CFO – Chief Financial Officer
 VP – Vice President
 CTO – Chief Technology Officer
 CRO – Chief Risk Officer
 RMC – Risk Management Committee
 HR- Human Resources
 CS- Company Secretary
 KMP- Key Managerial Personnel

* CRO's, Head Internal Audit's and Chief Compliance Officer's dotted reporting will be to the MD & CEO

KEY MANAGERIAL PERSONNEL

In addition to Arijit Sanyal, our Managing Director and Chief Executive Officer, whose details are provided in “– *Brief biographies of our Directors*” and “– *Remuneration to Executive Director*” on pages 284 and 288, respectively, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations as on the date of this Updated Draft Red Herring Prospectus-I are set forth below:

Manjeet P Bijlani is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce from the University of Mumbai and is an associate member of the Institute of Chartered Accountants of India. He has also completed the final exams held by the Institute of Cost and Work Accountants of India and Certified Information Systems Auditor (CISA) exam held by ISACA. He joined our Company on April 15, 2020. He is responsible for developing and executing our Company’s financial strategy in alignment with overall business objectives. Prior to joining our Company, he was associated with Edelweiss Housing Finance Limited as an executive vice president, with ECL Finance Limited as an assistant vice president, and with Edelweiss Finance and Investments Limited, Tata Chemicals Limited, Tata Capital Limited, ICICI Bank, and N.M. Raiji & Co. under various roles. He has over 24 years of experience in the field of corporate finance, audit and assurance. In Fiscal 2025, he received a remuneration of ₹24.79 million (including deferred compensation for Fiscal 2024) from our Company.

Karishma Jhaveri is the Company Secretary and Compliance Officer of our Company. She holds a bachelor’s degree in commerce and law from the Mumbai University, a master’s degree in business laws from the National Law School of India University, Bangalore and is an associate member of the Institute of Company Secretaries of India. She joined our Company on August 26, 2024 and is responsible for overseeing the regulatory and secretarial functions for our Company. Before joining our Company, she was associated with Aseem Infrastructure Finance Limited, Earnest Towers Private Limited, Altico Capital India Limited, and OAIS Auto Financial Services Limited. She has close to 9 years of experience in performing company secretarial functions. In Fiscal 2025, she received a remuneration of ₹4.75 million from our Company.

SENIOR MANAGEMENT PERSONNEL

In addition to Manjeet P Bijlani, our Chief Financial Officer and Karishma Jhaveri, our Company Secretary and Compliance Officer, whose details are provided in “– *Key Managerial Personnel*” on page 310, the details of our other Senior Management Personnel as on the date of this Updated Draft Red Herring Prospectus-I are set forth below:

Aastha Sachdeva is the Chief Risk Officer of our Company. She holds a bachelor's degree in science (mathematics) (honors course) from St. Stephens College, University of Delhi and post graduate diploma in management from Indian Institute of Management, Bangalore. She joined the Company on November 17, 2020 and is responsible for the risk management and mitigation of our Company. Prior to joining our Company, she was associated with ECL Finance Limited (Edelweiss group) and Tata group companies including Tata Capital Limited, Titan Company Limited, Tata Motors Limited, Indian Hotels Company Limited, Tata AutoComp Systems Limited and Sir Dorabji Tata Trust and Allied Trusts. She has over 16 years of experience in the field of finance, risk and strategy. In Fiscal 2025, she received a remuneration of ₹10.49 million from our Company.

Hitesh Parashar is the Chief Business Officer of our Company. He holds a bachelor’s degree in engineering from the Bhavnagar University, Gujarat and passed the examinations in relation to the post-graduate diploma in business management conducted by Institute of Mangament Technology, Ghaziabad. He joined our Company on October 7, 2013 and is involved in the strategic and business planning and overseeing the day-to-day sales and distribution for our Company. Prior to joining our Company, he was associated with Fullerton India Credit Company Limited, ICICI Bank Limited, General Electric Countrywide Consumer Financial Services Limited and Hindustan Petroleum Corporation Limited. He has nearly 20 years of experience in the field of sales, marketing, distribution and product management. In Fiscal 2025, he received a remuneration of ₹29.32 million (including deferred compensation for Fiscal 2024) from our Company.

Sayantana Roy is the Head of Internal Audit of our Company and is an associate member of the Institute of Chartered Accountants of India. He joined our Company on March 21, 2022 and is involved in driving risk-based audits for our Company. Prior to joining our Company, he was associated with Bharat S Raut & Co., PricewaterhouseCoopers Private Limited, Tata Motors Limited, ABP Entertainment Private Limited, Bajaj Allianz General Insurance Company Limited and Poonawala Fincorp Limited. He has over 22 years of experience in the field of internal audit. In Fiscal 2025, he received a remuneration of ₹11.50 million from our Company.

Zarir F Khambatta is the Chief of Staff of our Company. He holds a bachelor's of science degree in mathematics with economics from the University College London, a master's of science degree in financial mathematics from the London School of Economics and Political Science and a master's degree in business administration from INSEAD, Singapore. He has been associated with our Company since January 13, 2020 and is involved in the management of the Managing Director's office of our Company. Prior to joining our Company, he was associated with the erstwhile HDFC Limited, Standard Chartered Bank, and Elara Capital. He has over 11 years of experience in the field of finance and strategy. In Fiscal 2025, he received a remuneration of ₹11.13 million from our Company.

Nilotpal Borpujari is the Chief Credit Officer of our Company. He holds a bachelor's degree in commerce from the University of Delhi and a post graduate diploma in management from Indian Institute of Management, Lucknow. He joined our Company on May 8, 2023 and is involved in the credit risk underwriting for our Company. Prior to joining our Company, he was associated with Tonik Financial Pte. Limited, Seynse Technologies Private Limited, Dunia Finance (UAE), and ICICI Bank Limited. He has over 17 years of experience in the field of credit and risk management. In Fiscal 2025, he received a remuneration of ₹35.98 million (including deferred compensation for Fiscal 2024) from our Company.

Sameer Vyas is the Chief Compliance Officer of our Company. He holds a bachelor's degree in commerce and a bachelor's degree in law from Jai Narain Vyas University, Jodhpur, and a post-graduate diploma in securities laws and management from the National Law University, Jodhpur. He is a fellow member of the Institute of Companies Secretaries of India. He joined our Company on August 1, 2023 and is responsible for regulatory and compliance functions of our Company. Prior to joining our Company, he was associated with BOB Financial Solutions Limited, PayU Payments Private Limited, SBI Cards & Payments Services Private Limited, Lexplosion Solutions Private Limited, Religare Securities Limited, Almondz Global Securities Limited and IndusLaw, Advocates. He has over 16 years of experience including in the field of legal compliance. In Fiscal 2025, he received a remuneration of ₹6.79 million from our Company.

Anand R Nevgi is the Chief Operating Officer of our Company. He holds a bachelor's degree in mechanical engineering from Goa University, a master's degree in industrial engineering from the University of Arizona and a master's degree in business administration from INSEAD. He joined our Company on July 22, 2024 and is responsible for overseeing the Company's operations, and ensuring efficiency, control and alignment with strategic goals. Prior to joining our Company, he was associated with HSBC Asia Holdings BV as an international manager. He has over 15 years of experience in the field of international banking and finance. In Fiscal 2025, he received a remuneration of ₹14.55 million from our Company.

Natasha Raj is the Head - Human Resources of our Company. She holds a bachelor's degree in arts (honors) from the Lady Shriram College, University of Delhi and a post graduate diploma in management from the Xavier Institute of Management, Bhubaneswar. She joined our Company on November 1, 2020 and is responsible for human resources management and leading the people strategy in our Company. Prior to joining our Company, she was associated with Clix Capital Services Private Limited, Deutsche Bank Group, and Dell International Services Private Limited. She has over 17 years of experience in the field of human resource management. In Fiscal 2025, she received a remuneration of ₹11.90 million from our Company.

Nishita Mazumdar is the Head - Operations of our Company. She holds a bachelor's degree in engineering and a master's degree in management studies from the University of Mumbai. She has been associated with us since October 6, 2018 and is responsible for operations and customer service in our Company. Prior to joining our Company, she was associated with erstwhile HDFC Limited, until it was amalgamated with HDFC Bank Limited in 2023. She has close to 15 years of experience in the field of retail operations. In Fiscal 2025, she received a remuneration of ₹11.43 million from our Company.

Ramganes Iyer is the Head of Corporate Development of our Company. He holds a bachelor of technology degree in electrical engineering from the Indian Institute of Technology, Bombay and a post-graduate programme in management from the Indian Institute of Management, Ahmedabad. He has been associated with us since May 5, 2025 and is responsible for driving our Company's corporate development strategy and focusing on new business opportunities. Prior to joining our Company, he was associated with Bain and Company India Private Limited, Boston Consulting Group (India) Private Limited, Finzward Technology Private Limited and Peepul Capital Advisors Private Limited. He has over 16 years of experience in the financial services industry. He was not paid any remuneration in Fiscal 2025 as he was appointed in Fiscal 2026.

Relationship between our Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel are related to each other.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel

The details of shareholding of our Key Managerial Personnel and Senior Management Personnel in our Company are as below:

Sr. No.	Name of the Director	Number of equity shares of face value ₹ 10 each	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	Arijit Sanyal	1*	Negligible
2.	Manjeet P. Bijlani	1*	Negligible

* Holds one Equity Share of face value ₹ 10 each as a nominee of Infinity Partners.

Arrangements and understanding with major Shareholders, customers, suppliers, or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel or Senior Management Personnel was selected as member of senior management.

Bonus or profit-sharing plans

None of our Key Managerial Personnel or Senior Management Personnel are a party to any bonus or profit-sharing plan of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company other than (i) as stated in “Financial Statements – Restated Financial Information – ” and “Interests of Directors” on pages 334 and 289, respectively; or (ii) 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 in the ordinary course of business.

Certain of our Key Managerial Personnel and Senior Management Personnel hold Equity Shares in the Company and accordingly, 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 by them in our Company.

As on the date of this Updated Draft Red Herring Prospectus-I, there is no conflict of interest between the third-party service providers or lessors of the immovable properties (crucial for operations of the Company) and our Key Managerial Personnel.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel and Director

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Senior Management Personnel or Directors by our Company, which does not form part of their remuneration.

Changes in the Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel or Senior Management Personnel in the last three years preceding the date of this Updated Draft Red Herring Prospectus-I:

Name	Date of appointment / change / cessation	Reason
Ramganes Iyer	May 5, 2025	Appointed as Head of Corporate Development
Aastha Sachdeva	February 6, 2025	Appointed as Chief Risk Officer [^]
Sebastian Camilo Fernandez	November 8, 2024	Resigned as Chief Risk Officer due to personal reasons*

Name	Date of appointment / change / cessation	Reason
Karishma Jhaveri	August 26, 2024	Appointed as the Company Secretary [#]
Shashank Agrawal	August 14, 2024	Ceased to be CTO and CIO due to personal reasons and to pursue career growth
Anand R Nevgi	July 22, 2024	Appointed as Chief Operating Officer
Akanksha Kandoi	June 24, 2024	Ceased to be Company Secretary to pursue opportunities outside our Company
Sameer Vyas	August 1, 2023	Appointed as Chief Compliance Officer
Nilotpal Borpujari	May 8, 2023	Appointed as Chief Credit Officer

[^] Appointed as Chief Risk Officer- Designate of our Company on December 19, 2024, and was appointed as the Chief Risk Officer on February 6, 2025.

^{*} Resigned as the Chief Risk Officer of our Company on November 8, 2024, and has served his notice period in the Company until February 5, 2025.

[#] Karishma Jhaveri joined our Company on August 26, 2024. Her appointment as the company secretary has been approved by the Board on September 17, 2024.

Payment or benefit to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including our Key Managerial Personnel, Senior Management Personnel and our Directors within the two preceding years.

Employees stock options

For details of the employee stock option scheme of our Company, see "*Capital Structure – Employee Stock Option Scheme*" on page 121.

Termination Benefits

Except for Arijit Sanyal, our Managing Director and Chief Executive Officer, (as disclosed below), our Key Managerial Personnel and Senior Management Personnel have not entered into any service contracts with our Company pursuant to which they are entitled to any benefits upon termination of their employment.

Arijit Sanyal

Pursuant to an agreement dated January 17, 2025, amongst our Company and Arijit Sanyal ("**Employment Agreement**"), in the event of Arijit Sanyal's employment with our Company being terminated, howsoever occurring, our Company is required to pay: (i) the base salary payable to him until the date of his employment with our Company; (ii) reimbursement of unpaid and accrued business expenses incurred by him; (iii) gratuity as per the Payment of Gratuity Act, 1972; (iv) unpaid annual bonus payable for the previous fiscals and the pro-rated annual bonus for the fiscal in which his employment is terminated; (v) employee stock options which may vest during the notice period till the date of termination, if the employment is terminated: (A) by our Company without cause; (B) by Arijit Sanyal without cause, or (C) on account of death or disability ("**Trigger Events**"); and (vi) compensation for any unused vacation time, as on the date of the termination ("**Final Compensation**"). In addition to the Final Compensation, in the event of occurrence of Trigger Events, Arijit Sanyal will be entitled to receive performance cash bonus, calculated as the difference between the market value of one Equity Share as on the date of termination and the exercise price of one performance option (i.e. stock options that would have vested in the financial year in which he is terminated, adjusted for the days that Arijit Sanyal was employed in such particular year), multiplied by the number of vested employee stock options Arijit Sanyal would have been entitled to in the fiscal during which he is terminated. Further, in case of termination arising from occurrence of Trigger Events, our Company shall, in addition to the Final Compensation, pay Arijit Sanyal, subject to him fulfilling certain conditions under the Employment Agreement: (i) base salary, benefits and perquisites as would have been paid prior to the termination; (ii) compensation equal to the positive difference between the market value of the Equity Shares as on the termination date and the aggregate exercise price of the stock options that would have vested during the three month period following termination, if Arijit Sanyal had continued to be employed under our Company. In the event Arijit Sanyal resigns for good reason, in accordance with the Employment Agreement and if our Board waives the notice period or any portion thereof, our Company shall pay Arijit Sanyal for the period waived off ("**Waived Period**"): (i) base salary, benefits and perquisites as would have been paid prior to the resignation; (ii) pro-rated annual bonus earned but unpaid, commensurate with the amounts paid for the annual bonus prior to termination; (iii) compensation equal to the positive difference between the market value of the Equity Shares as on the termination date and the aggregate exercise price of the stock options that would have vested during the Waived Period.

OUR PROMOTER AND PROMOTER GROUP

Kopvoorn B.V. is the Promoter of our Company. As on date of this Updated Draft Red Herring Prospectus-I, it holds 139,936,441 Equity Shares of face value ₹10 each in our Company, representing 63.89% of the issued, subscribed and paid-up equity share capital of our Company on a fully diluted basis.

For details, please see “*Capital Structure – History of build-up of Promoter’s shareholding, Minimum Promoter’s Contribution and lock-in*” on page 114.

Details of our Promoter

Kopvoorn B.V.

Corporate Information

Kopvoorn B.V. was incorporated on April 13, 2022, as a private limited liability company under the Dutch Law, having its registered office in at Herikerbergweg 84, 1101 CM Amsterdam, the Netherlands and was registered with the Dutch trade register bearing number 86129368.

Nature of Business

Kopvoorn B.V. is primarily engaged in investment activities, including but not limited to private equity investments. Kopvoorn B.V. is an affiliate of EQT Private Capital Asia.

EQT Private Capital Asia has been supporting companies through its investment platform for 28 years. Formed following BPEA’s combination with EQT, EQT has investment professionals globally, including across Asia and Europe. EQT is a purpose-driven global investment organization with EUR 273 billion in total assets under management (EUR 142 billion in fee-generating AUM) and more than 1,900 employees based in offices across more than 25 countries, as on March 31, 2025.

EQT Private Capital Asia deploys capital in various companies through its investment platforms specifically set-up for this purpose and pools capital from investors for this purpose. It invests from two complementary fund strategies, both of which seek control and co-control equity investments from mid to large-cap buyouts with equity checks of USD 50 million to over USD 1 billion. Over the past 28 years, EQT Private Capital Asia has invested or advised on USD 40 billion in equity in over 140 private equity transactions, through its various investment platforms, and today, the current portfolio employs more than 400,000 people, as on March 31, 2025.

There has been no change to the primary business activities undertaken by Kopvoorn B.V.

Board of directors

Kopvoorn B.V. is managed by its board of directors. As on the date of this Updated Draft Red Herring Prospectus-I, the board of directors of Kopvoorn B.V. comprises the following directors:

S. No.	Name of the Director
1.	Ronald Posthumus
2.	Adriana Petra Weij
3.	Stefan Mathias Jacob van Oorschot
4.	Johannes Louis Rothuizen
5.	Tim Bogaards
6.	Ezekiel Daniel Arlin
7.	Vistra Management Services (Netherlands) B.V.

Capital structure and shareholding pattern of Kopvoorn B.V.

As on the date of this Updated Draft Red Herring Prospectus-I, Campan VIII Pte. Limited holds 100% of the shareholding in Kopvoorn B.V.

Details of change in control of Kopvoorn B.V.

All of the shares of Kopvoorn B.V. were sold and transferred from Kopvoorn Holding B.V. to Campan VIII Pte. Limited on November 8, 2023.

Our Company confirms that the bank account number(s) and corporate registration of Kopvoorn B.V. have been submitted to the Stock Exchanges at the time of filing of the Pre-filed Draft Red Herring Prospectus.

Promoter of Kopvoorn B.V.

The promoter of Kopvoorn B.V. is Campan VIII Pte. Limited.

Campan VIII Pte. Limited

Campan VIII Pte. Limited is managed by its board of directors. As on the date of this Updated Draft Red Herring Prospectus-I, the board of directors of Campan VIII Pte. Limited comprises the following directors:

S. No.	Name of the director
1.	Veera Raghavan Giridhar
2.	Kirti Ram Hariharan

EQT AB (publ), is a Swedish public limited liability company listed on NASDAQ Stockholm (the regulated market operated by NASDAQ Stockholm AB) and its shareholding details are available publicly. EQT AB holds 100% shareholding in BPEA EQT Holdings AB and indirectly in BPEA Private Equity GP VIII Pte. Ltd, which, in its capacity as general partner, wholly controls Campan VIII AIV, L.P. which further wholly controls Campan VIII Pte. Ltd. Further, as on the date of this Updated Draft Red Herring Prospectus I, no single shareholder holds more than 15% of the voting rights in EQT AB. All of the entities between EQT AB and Campan VIII Pte. Ltd. are investment holding vehicles and were incorporated as investment vehicles. Each investment holding vehicle is managed by their respective board of directors or general partners, as applicable, comprising professionals and experts.

For further details of the shareholding pattern of EQT AB (publ), please see their website at <https://eqtgroup.com/shareholders/shareholder-structure/>. Our Company is providing a link to the aforementioned website solely to comply with the requirements specified under the SEBI Final Observations and the details of shareholding pattern of EQT AB (publ) and other information provided on the website does not constitute a part of this Updated Draft Red Herring Prospectus I. Such information should not be considered as part of information that any investor should consider before making any investment decision.

Presently, no natural person holds more than 15% of the voting rights in Campan VIII Pte. Limited, on an aggregate basis.

Change in control of our Company

Kopvoorn B.V. is not the original promoter of our Company. 112,138,344 Equity Shares of face value ₹10 each were transferred from HDFC Bank Limited to Kopvoorn B.V. on March 19, 2024. Further, 1,195,000 Equity Shares of face value ₹10 each and 380,000 Equity Shares of face value ₹10 each were acquired by Kopvoorn B.V. on March 19, 2024 and March 20, 2024, respectively, from certain employees of the Company who were originally allotted the Equity Shares pursuant to exercising stock options they held in the Company. Additionally, 15,302,832 Equity Shares of face value ₹10 each were allotted to Kopvoorn B.V. through preferential allotment on March 20, 2024. Subsequent to the aforementioned transfers and allotments, the control of our Company has been transferred from HDFC Bank Limited to Kopvoorn B.V.

For further details in relation to acquisition of control of our Company by Kopvoorn B.V., please see “*Capital Structure – History of Build-up of Promoter’s shareholding, Minimum Promoter’s Contribution and lock-in*” and “*History and Certain Corporate Matters – Shareholders’ Agreements*” on pages 114 and 277, respectively.

Further, pursuant to a resolution dated December 19, 2024, passed by our Board of Directors, Kopvoorn B.V. has been identified as the only Promoter of our Company.

Except as disclosed above, there has been no change in the control of our Company in the last five years.

Interests of our Promoter

Our Promoter is interested in our Company to the extent (i) that it has promoted our Company; (ii) its shareholding in our Company; (iii) the dividends payable thereon; (iv) any other distributions in respect of its shareholding in our Company; (v) of the Directors nominated by it pursuant to the SHA; and (vi) any other rights that may be available to it under the SHA. For further details, see *“Capital Structure - Shareholding of our Promoter, member of our Promoter Group and directors of our Promoter”*, *“Our Management”* and *“History and Certain Corporate Matters – Shareholders’ agreement”* on pages 117, 280 and 277. For further details of interest of our Promoter in our Company, see *“Summary of the Offer Document – Summary of Related Party Transactions”* on page 34.

No sum has been paid or agreed to be paid to our Promoter or to any firm or company in which our Promoter is interested as a member, in cash or shares or otherwise by any person, either to induce it to become or to qualify it, as a Promoter or otherwise for services rendered by the Promoter, or by such firm or company, in connection with the promotion or formation of our Company.

There is no conflict of interest between the third party service providers (crucial for operations of the Company) or lessor of the immovable properties (crucial for operations of the Company) and our Promoter and member of the Promoter Group.

Interest in property, land, construction of building and supply of machinery

Our Promoter does not have any interest in any property acquired by our Company in the three years immediately preceding the date of this Updated Draft Red Herring Prospectus-I or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Payment or benefits to Promoter or Promoter Group

Except in the ordinary course of business and as disclosed in *“Summary of the Offer Document – Related Party Transactions”* and *“Restated Financial Information – Note 37: Related Party Transactions”* on pages 34 and 397, respectively, no amount or benefit has been paid or given by our Company to our Promoter or any of the member of the Promoter Group during the two years immediately preceding the date of this Updated Draft Red Herring Prospectus-I nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Updated Draft Red Herring Prospectus-I.

Companies or firms with which our Promoter have disassociated in the last three years

Our Promoter has not been disassociated with any company or firm in the last three years immediately preceding the date of this Updated Draft Red Herring Prospectus-I.

Material guarantees, if any, given to third parties by the Promoter with respect to Equity Shares bearing face value ₹10 each

Our Promoter has not given any guarantee to any third party with respect to the Equity Shares as on the date of this Updated Draft Red Herring Prospectus-I.

Other confirmations

Our Promoter is not a wilful defaulter or fraudulent borrower as defined under the SEBI ICDR Regulations.

Our Promoter and member of the Promoter Group have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Our Promoter is not a promoter of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

PROMOTER GROUP

Our Promoter does not have any natural persons who are part of our Promoter Group. In addition to our Promoter, the entity that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

Entities forming part of the Promoter Group

As of the date of this Updated Draft Red Herring Prospectus-I, the entity forming part of our Promoter Group is as follows:

S. No.	Name of the entity	Promoter group relation
1.	Campan VIII Pte. Limited	Holding company of our Promoter / body corporate which holds 20% or more of the equity share capital of our Promoter.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares of face value ₹10 each, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the Articles of Association and the applicable laws including the provisions of the Companies Act, 2013, read with applicable rules notified thereunder, each as amended, and the RBI Act and the regulations, guidelines, circulars and directions made thereunder including the RBI (Non-banking Financial Companies - Scale Based Regulations) Directions, 2023, as amended. The dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to: (i) internal factors such as profitable growth of our Company during the financial year, cash flow position, accumulated reserves, earning stability, future cash requirements for organic growth or inorganic growth, liquidity and applicable taxes, current and future leverage, present and future capital expenditure plans/ working capital requirements, and past dividend trends; and (ii) external factors such as business cycles, economic and regulatory environment, cost of external financing, industry outlook, inflation rates and changes in governmental policies, macro-economic environment, and dividend pay-out ratio.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and Shareholders. The dividend, if any, will depend on the aforementioned parameters and on factors that our Board deems relevant, including but not limited to the earnings, past dividend patterns, capital expenditures to be incurred by our Company, cash flow position of our Company and the cost of borrowings incurred, applicable legal restrictions, overall financial position of our Company and other factors considered relevant by the Board.

The details of dividend paid by our Company on the Equity Shares in Fiscals 2023, 2024 and 2025 and from April 1, 2025 till the date of this Updated Draft Red Herring Prospectus-I are set out in the table below:

Period	Number of Equity Shares	Face value per Equity Share	Dividend per Equity Share (in ₹)	Rate of dividend (%)	Total amount of dividend paid (in ₹ million)	Mode of payment
From April, 2025 till the date of this Updated Draft Red Herring Prospectus-I	218,787,715	10	NIL	NIL	NIL	NA
Fiscal 2025	218,787,715	10	NIL	NIL	NIL	NA
Fiscal 2024	179,169,225	10	NIL	NIL	NIL	NA
Fiscal 2023	147,799,725	10	1.1	5.90	162.58 ^{###}	Bank transfer

Notes:

^{###} Amount pertaining to Final Dividend of F.Y 2022-23 was paid in F.Y 2023-24.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Offer. There is no guarantee that any dividends will be declared or paid in the future on the Equity Shares. 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 on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*” on page 79.

SELECTED STATISTICAL INFORMATION

The following information should be read with our financial statements, including the notes thereto, and the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” appearing elsewhere in this Updated Draft Red Herring Prospectus-I.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Updated Draft Red Herring Prospectus-I, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance. For risks relating to non-GAAP measures, see “Risk Factors – We have included certain non-GAAP financial measures and other statistical information related to our operations in this Updated Draft Red Herring Prospectus-I. Such non-GAAP measures and statistical information may vary from standard methodologies that are used across the financial services industry and may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies” on page 76.

Key Financial Metrics

The following table sets forth certain of our key financial metrics as of and for the Financial Years indicated:

Particulars	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million, except percentages and per share data)		
AUM ⁽¹⁾	418,108.49	281,871.98	152,976.60
AUM Growth (%) ⁽²⁾	48.33	84.26	73.09
Quarterly Average AUM ⁽³⁾	354,123.02	216,840.44	118,917.38
Total Gross Loans	417,096.39	281,871.98	152,976.60
Total Net Loans	414,693.08	280,832.16	152,389.01
Disbursements ⁽⁴⁾	153,088.59	140,892.15	79,917.41
Disbursement Growth (%) ⁽⁵⁾	8.66	76.30	85.47
Total Borrowings ⁽⁶⁾	388,690.14	260,328.27	136,552.21
Total Assets	481,945.04	315,659.69	164,460.43
Quarterly Average Total Assets ⁽⁷⁾	406,438.54	240,272.08	124,341.60
Interest Income on Education Loans	41,655.75	25,353.55	13,013.99
Fees and Commission Income	2,185.75	1,189.29	292.29
Total Income	47,260.00	27,710.41	13,521.76
Finance Costs	28,934.43	17,310.23	8,132.77
Total Equity	86,945.06	50,433.64	24,350.92
Quarterly Average Net Worth	73,432.32	35,146.49	17,026.83
Interest Income	44,666.07	26,209.91	13,158.40
Non-interest Income ⁽⁸⁾	2,593.93	1,500.50	363.36
Net Interest Income ⁽⁹⁾	16,011.29	9,210.87	5,096.68
Net Interest Margin on Quarterly Average Interest Earning Assets (%) ⁽¹⁰⁾	3.95	3.85	4.13
Operating Expenses	3,600.44	2,818.66	1,585.87
Operating Expenses to Quarterly Average Total Assets (%) ⁽¹¹⁾	0.89	1.17	1.28
Impairment on Financial Instruments	1,465.42	497.85	101.05
Credit Cost to Quarterly Average Total Assets (%) ⁽¹²⁾	0.36	0.21	0.08
Total Expenses	34,000.29	20,626.74	9,819.69
Restated net profit after tax	9,899.58	5,288.39	2,759.25
Restated net profit after tax growth (%)	87.19	91.66	33.70
Cost to Income Ratio (%) ⁽¹³⁾	19.65	27.10	29.43
Return on Quarterly Average Total Assets (%) ⁽¹⁴⁾	2.44	2.20	2.22
Return on Quarterly Average Net Worth (%) ⁽¹⁵⁾	13.48	15.05	16.21

Particulars	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million, except percentages and per share data)		
Gross Loans – Stage 3	798.76	214.64	254.03
Net Loans – Stage 3	279.47	97.85	151.40
Gross Stage 3 Loans (%) ⁽¹⁶⁾	0.19	0.08	0.17
Net Stage 3 Loans (%) ⁽¹⁷⁾	0.07	0.03	0.10
Provision Coverage Ratio (%) ⁽¹⁸⁾	65.01	54.41	40.40
Gross Non-Performing Assets – EMI Portfolio (%) ⁽¹⁹⁾	0.59	0.56	0.66
Restated Basic Earnings Per Equity Share	47.80	33.83	20.56
Restated Diluted Earnings Per Equity Share	47.69	33.81	20.47
Net Asset Value Per Equity Share	397.39	281.49	164.76
Capital to Risk Weighted Assets Ratio (CRAR) (%) ⁽²⁰⁾	21.81	20.45	20.42

- (1) Assets Under Management (AUM) is the aggregate amount of Gross Loans and assigned loan assets, which represents the aggregate amount of off-book loan assets that have been transferred by way of assignment as of the last day of the specified year.
- (2) AUM Growth represents percentage growth in AUM as of the relevant balance sheet date over AUM of the previous comparable year.
- (3) Quarterly Average AUM represents the average of our AUM as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (4) Disbursements represents the aggregate of all loan amounts extended to our borrowers in the relevant year.
- (5) Disbursement Growth represents percentage growth in Disbursements for the relevant year over Disbursements of the previous comparable year.
- (6) Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant year.
- (7) Quarterly Average Total Assets represents the average of our total assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (8) Non-interest Income is the aggregate of fee and commission income, net gain on fair value changes, net gain on derecognition of financial instrument on amortised cost basis and other income for the relevant year.
- (9) Net Interest Income is computed as the sum of Interest Income and Net Gain on Fair Value changes less Finance Costs for the relevant year.
- (10) Net Interest Margin on Quarterly Average Interest Earning Assets is the ratio of Net Interest Income to Average Interest Earning Assets for the relevant year. Quarterly Average Interest-earning Assets represent the average of Total Interest-Earning Assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (11) Operating Expenses to Quarterly Average Total Assets represents aggregate of employee benefits expense, depreciation and amortization expense, other expenses for the relevant year upon the average total assets for the relevant year, represented as a percentage. Quarterly Average Total Assets represents the average of our total assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (12) Credit Cost to Quarterly Average Total Assets represents Impairment on Financial Instruments for a year divided by the average total assets as of the last day of the relevant year. Quarterly Average Total Assets represents the average of our total assets as at the beginning of the relevant year and at the end of each quarter during the relevant year.
- (13) Cost-to-Income Ratio represents the ratio of operating expenses, which is aggregate of employee benefits expense, depreciation and amortization expense, other expenses divided by the total income less finance cost for the relevant year, expressed as a percentage.
- (14) Return on Quarterly Average Total Assets is computed as Net Profit after Tax divided by Quarterly Average Total Assets for the specified year. Quarterly Average Total Assets represents the average of our total assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (15) Return on Quarterly Average Net Worth is computed as Profit after Tax divided by Quarterly Average Net Worth for the specified year. Quarterly Average Net Worth represents the average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as at the beginning of the relevant year and at the end of each of the quarter during the relevant year.
- (16) Gross Stage 3 Loans (%) is computed by dividing the Gross Loans – Stage 3 with Gross Loans outstanding as of the end of the relevant year.
- (17) Net Stage 3 Loans (%) is computed by dividing the Net Stage 3 Loans with Net Loans outstanding as of the end of the relevant year. Net Loans – Stage 3 represent Gross Loans – Stage 3 less specific impairment loss allowance for Stage 3 loans as of the end of relevant year.
- (18) Provision Coverage Ratio is computed by dividing the impairment loss allowance for Stage 3 loans with Gross Loans – Stage 3 as of the end of the relevant year.
- (19) Gross Non Performing Assets – EMI Portfolio is computed by dividing the amount of Gross Non Performing Assets within the full EMI Paying Portfolio by Total Gross Loans – full EMI Paying Portfolio. Full EMI Paying book is the amount of Gross Loans where the full EMI payment has started as of the reporting date, subsequent to the principal moratorium period.
- (20) Capital to Risk Weighted Assets Ratio (CRAR) is computed by dividing our Tier I and Tier II capital by risk weighted assets, each as computed in accordance with the relevant RBI guidelines.

Return on Average Total Assets

The following table sets forth certain key financial metrics in relation to return on average total assets, as of and for the Financial Years indicated:

Particulars	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million, except percentages and per share data)		
Total Equity	86,945.06	50,433.64	24,350.92
Quarterly Average Net Worth ⁽¹⁾	73,432.32	35,146.49	17,026.83

Particulars	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million, except percentages and per share data)		
Total Assets	481,945.04	315,659.69	164,460.43
Quarterly Average Total Assets ⁽²⁾	406,438.54	240,272.08	124,341.60
Restated net profit after tax	9,899.58	5,288.39	2,759.25
Return on Quarterly Average Net Worth (%) ⁽³⁾	13.48	15.05	16.21
Debt to Equity Ratio ⁽⁴⁾ (times)	4.47	5.16	5.61
Return on Quarterly Average Total Assets (%) ⁽⁵⁾	2.44	2.20	2.22

- (1) Quarterly Average Net Worth represents the average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as at the beginning of the relevant year and at the end of each of the quarter during the relevant year.
- (2) Quarterly Average Total assets represents the average of our total assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (3) Return on Quarterly Average Net Worth is computed as Profit after Tax divided by Quarterly Average Net Worth for the specified year. Quarterly Average Net Worth represents the average of Total Equity, which is aggregate of Equity Share Capital and Other Equity as at the beginning of the relevant year and at the end of each of the quarter during the relevant year.
- (4) Debt to Equity Ratio is computed by dividing our total borrowings by Total Equity of the relevant year.
- (5) Return on Quarterly Average Total Assets is computed as Net Profit after Tax divided by Quarterly Average Total Assets for the specified year.

Yields, Spreads and Margins

The following table sets forth the yields, spreads and interest margins on our interest-earning assets as of and for the Financial Years indicated:

Particulars	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million, except percentage)		
Interest Income	44,666.07	26,209.91	13,158.40
Net gain on fair value changes	279.65	311.19	71.05
Finance Costs	28,934.43	17,310.23	8,132.77
Total Interest-earning Assets ⁽¹⁾	480,923.16	314,365.40	164,077.15
Quarterly Average Interest-earning Assets ⁽²⁾	405,179.35	239,442.49	123,532.83
Total Borrowings ⁽³⁾	388,690.14	260,328.27	136,552.21
Quarterly Average Total Borrowings ⁽⁴⁾	327,009.01	200,678.03	104,124.16
Yield on Quarterly Average Interest-earning Assets (%) ⁽⁵⁾	11.09	11.08	10.71
Yield on Quarterly Average Gross Loans (%) ⁽⁶⁾	11.76	11.69	10.94
Cost of Quarterly Average Borrowings (%) ⁽⁷⁾	8.85	8.63	7.81
Finance Cost on Quarterly Average Total Assets (%)	7.12	7.20	6.54
Spread (%) ⁽⁸⁾	2.91	3.07	3.13
Net Interest Income ⁽⁹⁾	16,011.29	9,210.87	5,096.68
Net Interest Margin on Quarterly Average Interest-earning Assets (%) ⁽¹⁰⁾	3.95	3.85	4.13

- (1) Total Interest-earning Assets includes Total Gross Loans, cash and cash equivalents, bank balances other than cash and cash equivalents and investment in mutual funds and in government securities as of the reporting date.
- (2) Quarterly Average Interest-earning Assets represent the average of Total Interest-Earning Assets as at the beginning of the relevant year and at the end of each quarter during the relevant year.
- (3) Total Borrowings includes debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant year.
- (4) Quarterly Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (5) Yield on Quarterly Average Interest-earning Assets is sum of interest income and net gain on fair value changes divided by average interest-earning assets for the year. Quarterly Average Interest-earning Assets represent the average of Total Interest-Earning Assets as at the beginning of the relevant year and at the end of each quarter during the relevant year.
- (6) Yield on Quarterly Average Gross Loans is Interest Income on education loans divided by the Quarterly Average Gross Loans for the relevant year. Quarterly Average Gross Loans represent the average of Gross Loans as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (7) Cost of Quarterly Average Borrowings is the ratio of finance cost to Quarterly Average Total Borrowings for the relevant year. Quarterly Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (8) Spread is the difference between Quarterly Average Yield on Gross Loans and Cost of Quarterly Average Borrowings for the relevant year.
- (9) Net Interest Income is computed as sum of Interest Income and Net Gain on Fair Value changes reduced by Finance Costs for the relevant year.
- (10) Net Interest Margin on Quarterly Average Interest-earning Assets is the ratio of Net Interest Income to Quarterly Average Interest-earning Assets for the relevant year. Quarterly Average Interest-earning Assets represent the average of Total Interest-Earning Assets as at the beginning of the relevant year and at the end of each quarter during the relevant year.

Borrowings

Details of Borrowings

The following table sets forth details of our borrowings for the relevant year:

Product	As of and for the Financial Year		
	2025	2024	2023
	(₹ in million, except percentages and numbers)		
Total Borrowings ⁽¹⁾	388,690.14	260,328.27	136,552.21
Fresh Borrowings during the Year ⁽²⁾	205,825.70	170,072.00	98,600.00
Total Equity	86,945.06	50,433.64	24,350.92
Debt to Equity Ratio ⁽³⁾ (times)	4.47	5.16	5.61
Cost of Quarterly Average Borrowings (%) ⁽⁴⁾	8.85	8.63	7.81
Incremental Cost of Borrowings (%) ⁽⁵⁾	8.77	8.67	7.46
Average Residual Tenure of Borrowings (based on amounts drawn) (in months) ⁽⁶⁾	61.51	69.19	80.60
Average Residual Tenure of Borrowings (in months)	44.34	52.63	64.61
Borrowing concentration from 10 largest lenders by exposure to us (%)	49.09	53.82	58.15

- (1) Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant year.
- (2) Fresh Borrowing during the year represents aggregate of all loan amounts drawn from our lenders during the relevant year.
- (3) Debt to Equity Ratio is computed by dividing our total borrowings by total equity of the relevant year.
- (4) Cost of Quarterly Average Borrowings is the ratio of finance cost to Quarterly Average Total Borrowings for the relevant year. Quarterly Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.
- (5) Incremental Cost of Borrowings represents the weighted average cost of fresh borrowings during the relevant year.
- (6) Average Tenure of Borrowings at Origination represents the average tenure of borrowings as of the last day of the relevant financial year weighted based on origination tenure.

Sources of Borrowings

Particulars	As of March 31,					
	2025		2024		2023	
	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings	Amount (₹ in million)	% of total borrowings
Non-convertible Debentures - Secured	39,988.80	10.29	30,631.04	11.77	32,541.84	23.83
Commercial Paper – unsecured	19,374.24	4.98	11,376.36	4.37	2,698.23	1.98
External Commercial Borrowing	71,503.80	18.40	8,229.64	3.16	0.00	0.00
Term Loans from Banks	233,727.00	60.13	184,796.11	70.99	84,629.84	61.97
Term Loans from other parties	3,858.53	0.99	4,456.75	1.71	3,997.52	2.93
Loans repayable on demand from Banks	4,756.00	1.23	4,490.00	1.72	0.00	0.00
Subordinated Liabilities	15,481.77	3.98	16,348.37	6.28	12,684.78	9.29
Total Borrowings	388,690.14	100.00	260,328.27	100.00	136,552.21	100.00
Cost of Quarterly Average Borrowings (%)⁽¹⁾	—	8.85	—	8.63	—	7.81

- (1) Cost of Quarterly Average Borrowings is the ratio of finance cost to Quarterly Average Total Borrowings for the relevant year. Quarterly Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.

Borrowing Mix by Type of Lenders (excluding debt securities and subordinated liabilities)

Particulars	As of March 31,					
	2025		2024		2023	
	Count	Amount	Count	Amount	Count	Amount
	(₹ in million, except count in numbers)					
Banks	28	238,483.00	24	189,286.11	18	84,629.84
NBFCs and Financial Institutions	1	3,858.53	1	4,456.75	1	3,997.52

Particulars	As of March 31,					
	2025		2024		2023	
	Count	Amount	Count	Amount	Count	Amount
	(₹ in million, except count in numbers)					
Total	29	242,341.53	25	193,742.86	19	88,627.36

Borrowing Mix by Type of Interest Rate

The following table sets forth the breakdown of our borrowings by the type of interest rate as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(in percentages)		
Floating Rate Borrowings	80.74	78.74	67.10
Fixed Rate Borrowings	19.26	21.26	32.90
Total	100.00	100.00	100.00

Asset Quality

Stage Wise Loans

The following table sets forth the breakdown of our loan portfolio by stage of loan as of and for the Financial Years 2025, 2024 and 2023:

Particulars	As of and for the Financial Year		
	2025	2024	2023
Gross Loans			
1. Stage 1 (₹ in million)	413,966.96	280,627.88	152,132.65
2. Stage 2 (₹ in million)	2,330.67	1,029.46	589.92
3. Stage 3 (₹ in million)	798.76	214.64	254.03
4. Total Gross Loans (4=1+2+3) (₹ in million)	417,096.39	281,871.98	152,976.60
Impairment loss allowance			
5. Stage 1 (₹ in million)	1,271.31	656.41	345.81
6. Stage 2 (₹ in million)	612.71	266.62	139.15
7. Stage 3 (₹ in million)	519.29	116.79	102.63
8. Total impairment loss allowance (8=5+6+7) (₹ in million)	2,403.31	1,039.82	587.59
Net Loans			
9. Stage 1 (9=1-5) (₹ in million)	412,695.65	279,971.47	151,786.84
10. Stage 2 (10=2-6) (₹ in million)	1,717.96	762.84	450.77
11. Stage 3 (11=3-7) (₹ in million)	279.47	97.85	151.40
12. Total Net Loans (12=4-8) (₹ in million)	414,693.08	280,832.16	152,389.01
13. Gross Stage 1 Loans⁽¹⁾ (%)	99.25	99.56	99.45
14. Gross Stage 2 Loans⁽²⁾ (%)	0.56	0.37	0.39
15. Gross Stage 3 Loans⁽³⁾ (%)	0.19	0.08	0.17
16. Net Stage 3 Loans⁽⁴⁾ (%)	0.07	0.03	0.10
17. Provision Coverage Ratio⁽⁵⁾	65.01	54.41	40.40
18. Gross Non Performing Assets – EMI Portfolio⁽⁶⁾ (₹ in million)	418.83	207.81	184.29
19. Gross Non Performing Assets – EMI Portfolio⁽⁶⁾ (%)	0.59	0.56	0.66
20. Cumulative write off since inception till date (₹ in million)	96.95	26.61	12.20

(1) Gross Stage 1 Loans (%) is computed by dividing the Gross Loans – Stage 1 with Total Gross Loans as of the end of the relevant year.

(2) Gross Stage 2 Loans (%) is computed by dividing the Gross Loans – Stage 2 with Total Gross Loans as of the end of the relevant year.

(3) Gross Stage 3 Loans (%) is computed by dividing the Gross Loans – Stage 3 with Total Gross Loans as of the end of the relevant year.

(4) Net Stage 3 Loans (%) is computed by dividing the Net Loans – Stage 3 with Total Gross Loans as of the end of the relevant year. Net Loans – Stage 3 represent Gross Stage 3 loans less specific impairment loss allowance for Stage 3 loans as of the end of relevant year.

(5) Provision Coverage Ratio is computed by dividing the impairment loss allowance for Stage 3 loans with Gross Loans – Stage 3 as of the end of the relevant year.

- (6) *Gross Non Performing Assets – EMI Portfolio is computed by dividing the amount of Gross Non Performing Assets within the full EMI Paying Portfolio by Total Gross Loans – full EMI Paying Portfolio. Full EMI Paying book is the amount of Gross Loans where the full EMI payment has started as of the reporting date, subsequent to the principal moratorium period, if any.*

Capital to risk weighted assets ratio (CRAR)

The following table sets forth our capital risk to asset ratios as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Tier I Capital ⁽¹⁾	91,206.67	53,127.07	25,780.68
Tier II Capital ⁽²⁾	9,756.33	12,341.65	10,287.07
Total Capital	100,963.00	65,468.72	36,067.75
Risk Weighted Assets ⁽³⁾	462,996.76	320,083.12	176,664.69
Capital to Risk Weighted Assets ratio (CRAR) (%) ⁽⁴⁾	21.81	20.45	20.42
Tier I Capital (%)	19.70	16.60	14.60
Tier II Capital (%)	2.11	3.85	5.82

(1) *Tier I Capital comprises share capital, share premium, retained earnings including current year profit.*

(2) *Tier II Capital comprises provision on stage I assets.*

(3) *Risk weighted assets represents the weighted sum of credit exposures based on their risk as computed in accordance with the relevant RBI guidelines.*

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

Asset-Liability Management

Set out below is the maturity pattern of our interest bearing assets and total borrowings as of the dates indicated:

Particulars		Up to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
		(₹ in million)							
Liabilities									
Total Borrowings	As of March 31, 2025	1,591.68	10,764.13	19,765.75	65,842.18	162,396.61	94,563.04	33,766.75	388,690.14
	As of March 31, 2024	287.64	12,256.25	6,580.96	41,449.43	96,809.74	60,781.65	42,162.60	260,328.27
	As of March 31, 2023	473.52	2,983.53	4,776.99	6,219.60	48,107.77	35,572.27	38,418.53	136,552.21
Assets									
Cash and Cash equivalents, Bank Balances and Investments	As of March 31, 2025	17,522.52	22,437.27	6,403.74	17,450.11	13.13	-	-	63,826.77
	As of March 31, 2024	11,460.81	13,610.65	1,026.57	462.28	3,763.70	1,167.51	1,001.90	32,493.42
	As of March 31, 2023	4,479.52	1,253.26	730.84	3,493.61	610.72	532.60	-	11,100.55
Loans, net of provision	As of March 31, 2025	4,063.89	7,928.85	13,597.91	32,275.68	143,839.13	74,000.84	140,870.80	416,577.10
	As of March 31, 2024	2,763.93	5,285.40	9,452.96	21,463.54	1,04,479.35	53,963.64	84,346.37	281,755.19
	As of March 31, 2023	2,522.60	4,473.03	6,482.61	12,240.31	44,190.76	32,115.99	50,848.67	152,873.97
Summary of Maturity Pattern of Assets and Liabilities									
Total Inflows	As of March 31, 2025	22,021.49	30,557.09	20,208.91	50,279.55	144,412.67	74,145.69	142,430.80	484,056.20
	As of March 31, 2024	14,591.60	19,043.87	10,664.59	22,167.41	1,08,351.80	55,184.17	86,924.53	3,16,927.97
	As of March 31, 2023	7,081.29	5,875.24	7,398.93	15,910.27	44,801.48	32,669.65	51,499.59	1,65,236.45
Total Outflows	As of March 31, 2025	3,715.07	11,406.60	20,769.87	67,021.86	163,464.33	94,869.76	122,808.71	484,056.20
	As of March 31, 2024	1,512.90	12,870.49	7,615.03	42,788.87	97,135.14	61,025.85	93,979.69	3,16,927.97
	As of March 31, 2023	792.26	3,603.31	5,859.05	7,124.61	48,325.44	35,876.21	63,655.57	1,65,236.45

Particulars		Up to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
		(₹ in million)							
Cumulative mismatch of Assets over liabilities	As of March 31, 2025	18,306.42	37,456.91	36,895.95	20,153.64	1,101.98	(19,622.09)	-	-
	As of March 31, 2024	13,078.70	19,252.08	22,301.64	1,680.18	12,896.84	7,055.16	-	-
	As of March 31, 2023	6,289.03	8,560.96	10,100.84	18,886.50	15,362.54	12,155.98	-	-
Cumulative mismatch as percentage of Cumulative Outflows (%)	As of March 31, 2025	492.76	247.70	102.80	19.58	0.41	-5.43	-	-
	As of March 31, 2024	864.48	133.85	101.38	2.59	7.96	3.16	-	-
	As of March 31, 2023	793.81	194.76	98.50	108.67	23.38	11.97	-	-

AUM Mix

AUM by Country of Education

The following table sets forth the breakdown of AUM by country of education as of March 31, 2024, March 31, 2024 and March 31, 2023:

Country of education	As of March 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
	(₹ in million except percentages)					
United States	215,480.68	51.54	157,371.86	55.83	80,813.69	52.83
United Kingdom	78,767.28	18.84	37,534.05	13.32	15,715.99	10.27
Canada	50,111.89	11.99	43,385.60	15.39	30,550.04	19.97
India	22,388.68	5.35	16,347.59	5.80	11,102.64	7.26
Others [#]	51,355.96	12.28	27,232.88	9.66	14,794.24	9.67
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

[#] Others includes Australia, Germany, Ireland and New Zealand, among others.

AUM by Course

The following table sets forth the breakdown of AUM by course as of March 31, 2025, March 31, 2024 and March 31, 2023:

Course	As of March 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
	(₹ in million except percentages)					
STEM ⁽¹⁾	265,581.64	63.52	198,132.01	70.29	105,644.61	69.06
Management ⁽²⁾	117,830.03	28.18	72,676.37	25.78	41,655.13	27.23
Others ⁽³⁾	34,692.82	8.30	11,063.60	3.93	5,676.86	3.71
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

(4) STEM includes masters' programs in the science, technology, engineering and mathematics domain.

(5) Management includes MBA, post-graduate diploma programs and other management courses.

(6) Others include Masters courses other than STEM and Management.

AUM: Secured and Unsecured Mix

The following table sets forth a breakdown of the secured and unsecured AUM in our loan portfolio as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
	(₹ in million except percentages)					
Secured	78,920.88	18.88	58,797.44	20.86	41,052.06	26.84

Particulars	As of March 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
	(₹ in million except percentages)					
Unsecured	339,183.61	81.12	223,074.54	79.14	111,924.54	73.16
Total	418,104.49	100.00	281,871.98	100.00	152,976.60	100.00

Disbursements

Disbursement by Sourcing Channel

The following table sets forth the breakdown of our disbursement by sourcing channel for the Financial Years 2025, 2024 and 2023:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount	% of total disbursements	Amount	% of total disbursements	Amount	% of total disbursements
	(₹ in million, except percentages)					
Counsellors and Aggregators ⁽¹⁾	75,648.12	49.41	63,403.88	45.00	28,795.76	36.03
DSAs ⁽²⁾	21,345.61	13.94	14,884.96	10.57	5,669.06	7.09
Direct (In-house / referral)	20,705.25	13.53	28,365.71	20.13	25,498.54	31.91
Banks / Financial Institutions	35,389.61	23.12	34,237.60	24.30	19,954.05	24.97
Total	153,088.59	100.00	140,892.15	100.00	79,917.41	100.00

(1) Counsellors and Aggregators includes education consultants and companies specializing in facilitating student applications and aggregating education loan options.

(2) DSAs includes entities handling multiple financial products, including education loans, across a range of financial institutions.

Disbursements by Country of Education

The following table sets forth the breakdown of our disbursement by country of education of students for the Financial Years indicated:

Country of education	For the Financial Year					
	2025		2024		2023	
	Amount	% of total	Amount	% of total	Amount	% of total
	(₹ in million, except percentages)					
United States	64,944.72	42.42	82,296.92	58.41	44,622.57	55.83
United Kingdom	41,573.00	27.16	22,031.30	15.64	10,579.08	13.24
Canada	10,117.65	6.61	15,016.26	10.66	13,690.13	17.13
India	7,382.82	4.82	6,503.89	4.61	4,898.94	6.11
Others [#]	29,070.40	18.99	15,043.78	10.68	6,126.69	7.69
Total	153,088.59	100.00	140,892.15	100.00	79,917.41	100.00

[#] Others includes Australia, Germany, Ireland and New Zealand, among others.

Disbursements by Course

The following table sets forth the breakdown of our disbursements by course for the Financial Years indicated:

Course	Financial Year					
	2025		2024		2023	
	Amount	% of total	Amount	% of total	Amount	% of total
	(₹ in million, except percentages)					
STEM ⁽¹⁾	94,596.50	61.79	100,855.28	71.58	55,300.35	69.20
Management ⁽²⁾	33,693.98	22.01	34,034.24	24.16	21,534.20	26.95
Others ⁽³⁾	24,798.11	16.20	6,002.63	4.26	3,082.86	3.85
Total	153,088.59	100.00	140,892.15	100.00	79,917.41	100.00

(1) STEM includes masters' programs in the science, technology, engineering and mathematics domain.

(2) Management includes MBA, post-graduate diploma programs and other management courses.

(3) Others include Masters courses other than STEM and Management.

Student Loans Disbursements by CIBIL score of co-applicant

The following table sets forth, for the financial years indicated, the breakdown of our Student Loans disbursements by the Credit Information Bureau of India Limited (“CIBIL”) score of the co-applicants:

CIBIL score of co-applicant	Financial Year		
	2025	2024	2023
	(in percentages)		
750+	58.45	60.32	61.00
700 – 750	24.91	22.84	21.49
< 700	6.08	7.00	7.68
New-to-credit	10.56	9.84	9.83
Total	100.00	100.00	100.00

Product-Wise Key Metrics

Customer Base

The following table sets forth, as of the dates indicated, the product wise active loan accounts as of the dates indicated:

Particulars	As of March 31,		
	2025	2024	2023
Total Active Loan Accounts	150,339	115,711	72,416

Female borrowers

The following table sets forth, as of the dates indicated, the proportion of female borrowers in our customer base:

Particulars	As of March 31,					
	2025		2024		2023	
	Number of borrowers	% of Total Borrowers	Number of borrowers	% of Total Borrowers	Number of borrowers	% of Total Borrowers
	(in numbers, except percentages)					
Female borrowers	51,149	34.02	38,623	33.38	23,539	32.51
Total Active Loan accounts	150,399	100.00	115,711	100.00	72,416	100.00

Operational Metrics

The following table sets forth certain operational metrics as of the dates and for the Financial Years indicated:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in million, except otherwise specified)		
Cumulative number of universities	5,290	4,682	4,196
Cumulative number of countries	64	63	59
Cumulative number of student funded	226,570	178,372	124,769
Total number of employees ⁽¹⁾	1,478	1,200	898
Number of sales employees ⁽²⁾	861	714	505
Number of collection employees ⁽³⁾	44	24	18
Number of lending relationships ⁽⁴⁾	29	25	19
AUM per Employee ⁽⁵⁾	282.89	234.89	170.35
Disbursement per Employee ⁽⁶⁾	103.58	117.41	88.99

(1) Total number of employees represents aggregate number of our employees as of the last day of relevant year.

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

(3) Number of Collection employees represents aggregate number of our Collection employees as of the last day of relevant year.

(4) Includes banks, NBFCs and financial institutions.

(5) AUM per Employee represents AUM as of the last day of the relevant year divided by total number of employees as of the last day of relevant year.

Disbursement per Employee represents Disbursements during the relevant year divided by total number of employees as of the last day of the relevant year.

SECTION V: FINANCIAL INFORMATION
FINANCIAL STATEMENTS

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Price Waterhouse LLP
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji Park, Dadar West
Mumbai – 400028

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
Bhagoji Keer Marg,
Mahim, Mumbai – 400016

June 09, 2025

To

The Board of Directors
Credila Financial Services Limited
(formerly known as HDFC Credila Financial Services Limited)
B - 301, Citi Point, Next to Kohinoor Continental
Andheri- Kurla Road,
Andheri (E), Mumbai - 400059

Independent Auditors' Examination Report on Restated Financial Information in connection with the Proposed Initial Public Offering of Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited)

Dear Sirs/Madam,

1. This report is issued in accordance with the terms of our agreement dated June 05, 2025 with the Company.
2. We have examined the attached Restated Financial Information, expressed in Indian Rupees in millions, of Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited) (hereinafter referred to as the "Company" or the "Issuer"), comprising:
 - (a) the "Restated Statement of Assets and Liabilities" as at March 31, 2025, March 31, 2024 and March 31, 2023 (enclosed as Annexure I);
 - (b) the "Restated Statement of Profit and Loss" for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 (enclosed as Annexure II);
 - (c) the "Restated Statement of Changes in Equity" for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 (enclosed as Annexure III);
 - (d) the "Restated Statement of Cash Flows" for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 (enclosed as Annexure IV);
 - (e) the "Basis of Preparation, Material Accounting Policies" and "Notes to the Restated Financial Information" for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 (enclosed as Annexure V); and
 - (f) the "Statement of Adjustments to the Audited Financial Statements" as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 (enclosed as Annexure VI);(hereinafter together referred to as the "Restated Financial Information"), prepared by the Management of the Company in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "IPO" or "Issue") in accordance with the requirements of:
 - i. Section 26 of the Companies Act, 2013, as amended from time to time (the "Act");
 - ii. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

- iii. 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”).

The said Restated Financial Information has been approved by the Board of Directors of the Company at their meeting held on June 09, 2025 for the purpose of inclusion in the Updated Draft Red Herring Prospectus – I (“UDRHP - I”), Red Herring Prospectus (“RHP”) and the Prospectus (“Prospectus”) and signed by us..

Management’s Responsibility for the Restated Financial Information

3. The preparation of the Restated Financial Information, for the purpose of inclusion in the UDRHP – I, RHP and the Prospectus (hereinafter collectively referred to as the “Offer Documents”) to be filed with SEBI, BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”) and the Registrar of Companies, Mumbai (“ROC”), as applicable in connection with the proposed IPO, is the responsibility of the Management of the Company. The Restated Financial Information have been prepared by the Management of the Company in accordance with the basis of preparation stated in note 2.1 to the Restated Financial Information in Annexure V. The Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.

Auditors’ Responsibilities

4. Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting Restated Financial Information in accordance with the Guidance Note and other applicable authoritative pronouncements issued by the ICAI, pursuant to the requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Issue.
5. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. Our examination of the Restated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America, standards of the Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.
7. The Restated Financial Information, expressed in Indian Rupees in millions, has been prepared by the management of the Company from the Audited Financial Statements of the Company as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meetings held on May 16, 2025, May 01, 2024 and April 17, 2023, respectively.
8. For the purpose of our examination, we have relied on:
- (a) Auditors’ report issued by us on the financial statements of the Company as at and for the year ended March 31, 2025 as referred in Paragraph 7 above, on which we issued an unmodified opinion vide

our report dated May 16, 2025;

- (b) Auditors' report issued jointly by Gokhale & Sathe, Chartered Accountants and Shah Gupta & Co., Chartered Accountants (the "Previous Joint Auditors") on the financial statements of the Company as at and for the year ended March 31, 2024 as referred in Paragraph 7 above; and the auditors' report issued by Shah Gupta & Co., Chartered Accountants (the "Previous Auditor") on the financial statements of the Company as at and for the year ended March 31, 2023 as referred in Paragraph 7 above (the Previous Joint Auditors and the Previous Auditor together hereinafter referred to as the "Previous Auditors"), on which they issued an unmodified opinion vide their reports dated May 01, 2024 and April 17, 2023, respectively.
 - (c) The examination reports issued by the respective Previous Auditors on the restated statement of assets and liabilities as at March 31, 2024 and March 31, 2023, and the restated statement of profit and loss, the restated statement of changes in equity and the restated statement of cash flows, the basis of preparation, material accounting policies and notes to the restated financial information for the years ended on those dates (collectively, the "2024 and 2023 Restated Financial Information") examined by them. They have also confirmed that the 2024 and 2023 Restated Financial Information:
 - (i) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note;
 - (ii) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in each of the financial years ended March 31, 2024 and March 31, 2023 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended March 31, 2025; and
 - (iii) there are no qualifications in the auditors' reports which require any adjustments.
9. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2025. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2025.

Opinion

10. Based on our examination and according to the information and explanations given to us and also, as per the reliance placed on the examination reports issued by the respective Previous Auditors for the respective years referred in paragraph 8(c) above, we report that the Restated Financial Information:
- a. have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;
 - b. have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors and regrouping/reclassifications, retrospectively (as disclosed in Annexure VI to this report), to reflect the same accounting treatment as per the accounting policies as at and for the year ended March 31, 2025, for all the reporting periods; and
 - c. there are no qualifications in the auditors' reports which require any adjustments.
11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 8 above.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the prior audit reports issued by us or the Previous Auditors on any financial statements of the Company.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Other Matter

14. As indicated in our audit report referred to in paragraph 8 (a) above:

The financial statements of the Company for the year ended March 31, 2024, were audited by Shah Gupta & Co., Chartered Accountants and Gokhale & Sathe, Chartered Accountants who vide their report dated May 01, 2024 expressed an unmodified opinion on those financial statements.

Our opinion on the financial statements is not modified in respect of above matter.

15. We did not examine the restated financial information of the Company as at and for the years ended March 31, 2024 and March 31, 2023, which constitute total assets, net assets, total income, total comprehensive income (comprising of profit and other comprehensive income) and net cash flows for the relevant years as tabulated below, which have been examined and reported upon by the Previous Auditors as referred in paragraph 8(c) above, whose respective examination reports have been furnished to us by the Management of the Company and our opinion on the Restated Financial Information in so far as it relates to the amounts and disclosures included in respect of the financial years ended on March 31, 2024 and March 31, 2023 is based solely on the examination reports of the respective Previous Auditors.

(Rs. In Million)

Particulars	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Total Assets	315,659.69	164,460.43
Net Assets	50,433.64	24,350.92
Total Income	27,710.41	13,521.76
Total comprehensive income (Comprising of profit and other comprehensive income)	5,379.67	2,759.95
Net Cash Inflows / (Outflows)	10,537.42	3,900.45

Our opinion on the Restated Financial Information is not modified in respect of the above matter with respect to our reliance on the work done and the reports issued by the respective Previous Auditors.

Restriction on Use

16. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have or may have had as the statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have or we may have had in our capacity as the statutory auditors of the Company.
17. This report is addressed to and is provided to the Board of Directors of the Company solely for inclusion of the report in the Offer Documents of the Company, to be filed with the SEBI, BSE, NSE and ROC, as applicable, prepared in connection with the Issue. Our report should not be used by any other person;

Price Waterhouse LLP
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji Park, Dadar West
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Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
Bhagoji Keer Marg,
Mahim, Mumbai – 400016

or be used, circulated, published, quoted, or otherwise be referred to for any other purpose; or be filed with or referred to orally or in any document other than the Offer Documents, in whole or in part. We do not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration Number: 301112E/E300264

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 25118522BMOCLM5476
Place: Mumbai
Date: June 09, 2025

Rahul Joglekar
Partner
Membership Number: 129389
UDIN: 25129389BMJIRT6602
Place: Mumbai
Date: June 09, 2025

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure I - Restated Statement of Assets and Liabilities

Particulars	Note (Annexure V)	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	26,666.27	14,710.90	4,173.48
(b) Bank balances other than cash and cash equivalents	5	13,379.15	6,529.01	1,007.17
(c) Derivative financial instruments	6	749.48	288.22	164.78
(d) Trade receivables	7	219.94	203.65	14.38
(e) Loans	8	4,14,693.08	2,80,832.16	1,52,389.01
(f) Investments	9	23,781.35	11,253.51	5,919.90
(g) Other financial assets	10	464.90	556.32	28.62
Total financial assets		4,79,954.17	3,14,373.77	1,63,697.34
2. Non-financial assets				
(a) Current tax assets (net)	11	0.02	36.21	22.81
(b) Deferred tax assets (net)	12	267.74	300.82	313.73
(c) Property, plant and equipment	13	770.22	409.66	223.20
(d) Capital work in progress	13	36.41	45.20	-
(e) Intangible assets	13	324.12	16.17	0.16
(f) Intangible assets under development	13	157.51	304.34	113.81
(g) Other non-financial assets	14	434.85	173.52	89.38
Total non-financial assets		1,990.87	1,285.92	763.09
Total assets		4,81,945.04	3,15,659.69	1,64,460.43
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial liabilities				
(a) Derivative financial instruments	6	701.42	620.64	744.01
(b) Payables				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	15	2.99	2.57	1.86
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	532.08	261.89	204.33
(c) Debt securities	16	59,363.04	42,007.40	35,240.07
(d) Borrowings (other than debt securities)	17	3,13,845.33	2,01,972.50	88,627.36
(e) Subordinated liabilities	18	15,481.77	16,348.37	12,684.78
(f) Other financial liabilities	19	3,841.70	2,710.26	1,998.37
Total financial liabilities		3,93,768.33	2,63,923.63	1,39,500.78
2. Non-financial liabilities				
(a) Current tax liabilities (net)	20	88.89	-	50.68
(b) Provisions	21	162.20	118.98	74.93
(c) Other non-financial liabilities	22	980.56	1,183.44	483.12
Total non-financial liabilities		1,231.65	1,302.42	608.73
Total liabilities		3,94,999.98	2,65,226.05	1,40,109.51
EQUITY				
(a) Equity share capital	23	2,187.88	1,791.69	1,478.00
(b) Other equity	24	84,757.18	48,641.95	22,872.92
Total equity		86,945.06	50,433.64	24,350.92
Total liabilities and equity		4,81,945.04	3,15,659.69	1,64,460.43

The above Restated Statement of Assets and Liabilities should be read in conjunction with Annexure V - Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information and Annexure VI - Statement of adjustments to the audited financial statements

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure I - Restated Statement of Assets and Liabilities (continued)

This is the Restated Statement of Assets and Liabilities referred in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No: 301112E/E300264

For and on behalf of Board of Directors of

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

CIN No: U67190MH2006PLC159411

Sharad Agarwal

Partner

Membership No: 118522

Damodarannair Sundaram

Chairman

(DIN - 00016304)

Arijit Sanyal

Managing Director & CEO

(DIN - 08386684)

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

Rahul Joglekar

Partner

Membership No: 129389

Manjeet Bijlani

Chief Financial Officer

(ACA - 102472)

Karishma Jhaveri

Company Secretary

(ACS - 25932)

Place:- Mumbai

Date: 09 June 2025

Place:- Mumbai

Date: 09 June 2025

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure II - Restated Statement of Profit and Loss

Particulars	Note (Annexure V)	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
I. Revenue from operations				
(a) Interest income	25	44,666.07	26,209.91	13,158.40
(b) Fees and commission income	26	2,185.75	1,189.29	292.29
(c) Net gain on fair value changes	27	279.65	311.19	71.05
(d) Net gain on derecognition of financial instruments under amortised cost		65.84	-	-
Total revenue from operations		47,197.31	27,710.39	13,521.74
II. Other income		62.69	0.02	0.02
III. Total income (I + II)		47,260.00	27,710.41	13,521.76
IV. Expenses				
(a) Finance costs	28	28,934.43	17,310.23	8,132.77
(b) Impairment on financial instruments	31	1,465.42	497.85	101.05
(c) Employee benefit expense	29	1,579.41	1,469.38	874.39
(d) Depreciation and amortisation	13	240.36	114.16	67.87
(e) Other expenses	30	1,780.67	1,235.12	643.61
Total expenses		34,000.29	20,626.74	9,819.69
V. Restated Profit before Tax (III - IV)		13,259.71	7,083.67	3,702.07
Tax expense				
- Current tax		3,275.07	1,819.70	1,063.22
- Deferred Tax	12	85.06	(24.42)	(120.40)
VI. Total tax expense		3,360.13	1,795.28	942.82
VII. Restated Net profit after tax (V - VI)		9,899.58	5,288.39	2,759.25
Other comprehensive income/(loss)				
(a) Items that will not be reclassified to profit or loss				
- Remeasurement of the defined benefit plans		(11.91)	(5.54)	(3.15)
- Income tax relating to the above item that will not be reclassified to profit or loss		3.00	1.39	0.79
(b) Items that will be reclassified to profit or loss				
- Cash flow hedge reserves		(798.26)	68.32	38.96
- Income tax relating to the above item that will be reclassified to profit or loss		200.91	(17.20)	(9.87)
- Fair value of investments		165.52	59.26	(34.78)
- Income tax relating to the above item that will be reclassified to profit or loss		(41.66)	(14.95)	8.75
VIII. Restated Other comprehensive income/(loss)		(482.40)	91.28	0.70
IX. Restated Total comprehensive income (VII + VIII)		9,417.18	5,379.67	2,759.95
X. Restated Earnings per equity share:				
(a) Basic (in ₹)	34	47.80	33.83	20.56
(b) Diluted (in ₹)	34	47.69	33.81	20.47
(c) Face value per share (in ₹)		10.00	10.00	10.00

The above Restated Statement of Profit and Loss should be read in conjunction with Annexure V - Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information and Annexure VI - Statement of adjustments to the audited financial statements

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure II - Restated Statement of Profit and Loss (continued)

This is the Restated Statement of Profit and Loss referred in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No: 301112E/E300264

For and on behalf of Board of Directors of

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

CIN No: U67190MH2006PLC159411

Sharad Agarwal

Partner

Membership No: 118522

Damodarannair Sundaram

Chairman

(DIN - 00016304)

Arijit Sanyal

Managing Director & CEO

(DIN - 08386684)

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

Rahul Joglekar

Partner

Membership No: 129389

Manjeet Bijlani

Chief Financial Officer

(ACA - 102472)

Karishma Jhaveri

Company Secretary

(ACS - 25932)

Place:- Mumbai

Date: 09 June 2025

Place:- Mumbai

Date: 09 June 2025

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure III - Restated Statement of changes in equity

A. Equity share capital

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the period	Balance at the end of the current reporting period
FY 2024-25	1,791.69	-	1,791.69	396.18	2,187.88
FY 2023-24	1,478.00	-	1,478.00	313.70	1,791.69
FY 2022-23	1,317.98	-	1,317.98	160.02	1,478.00

B. Other equity for the year ended 31 March 2025

	Reserves and surplus						Other comprehensive income			Total
	Capital reserve	Securities premium	Retained earnings	Statutory reserve	Employee stock options reserve (Refer note 39)	Impairment reserve	Remeasurement of defined benefit plan	Effective portion of cash flow hedges	Fair value of investments	
Balance as at 01 April 2024	10.95	32,602.05	12,499.38	3,289.70	27.81	164.11	(10.78)	51.12	7.62	48,641.96
Restated Net profit after tax for the year			9,899.58							9,899.58
Restated Other comprehensive income/(loss) for the year							(8.94)	(597.35)	123.89	(482.40)
Restated total comprehensive income for the year	-	-	9,899.58	-	-	-	(8.94)	(597.35)	123.89	9,417.18
Transfer to Statutory reserve	-	-	(1,979.92)	1,979.92	-	-	-	-	-	-
Expenses incurred in respect of equity capital	-	(7.38)	-	-	-	-	-	-	-	(7.38)
Securities premium received during the year	-	26,603.82	-	-	-	-	-	-	-	26,603.82
Employees share based payments expenses	-	-	-	-	101.60	-	-	-	-	101.60
Balance as at 31 March 2025	10.95	59,198.49	20,419.04	5,269.62	129.41	164.11	(19.72)	(546.23)	131.51	84,757.18

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure III - Restated Statement of changes in equity (continued)

B. Other equity for the year ended 31 March 2024

	Reserves and surplus						Other comprehensive income			Total
	Capital reserve	Securities premium	Retained earnings	Statutory reserve	Employee stock options reserve (Refer note 39)	Impairment reserve	Remeasurement of defined benefit plan	Effective portion of cash flow hedges	Fair value of investments	
Balance as at 01 April 2023	10.95	12,163.60	8,264.92	2,231.97	117.16	127.64	(6.64)	(0.00)	(36.68)	22,872.92
Restated Net profit after tax for the year			5,288.39							5,288.39
Restated Other comprehensive income/(loss) for							(4.14)	51.12	44.30	91.28
Restated total comprehensive income for the year	-	-	5,288.39	-	-	-	(4.14)	51.12	44.30	5,379.67
Transfer to Statutory reserve and Impairment reserve			(1,094.20)	1,057.73		36.47				0.00
Expenses incurred in respect of issue of equity		(110.44)								(110.44)
Dividend on equity shares			(162.60)							(162.60)
Employees share based payments expenses					246.33					246.33
Transfer to Retained Earnings for exercise of Employee Stock Options ("ESOP-22")			202.86		(202.86)					0.00
Discharge of liabilities towards surrender of ESOP-22					(132.82)					(132.82)
Securities premium received during the year		20,548.89								20,548.89
Balance as at 31 March 2024	10.95	32,602.05	12,499.38	3,289.70	27.81	164.11	(10.78)	51.12	7.62	48,641.95

B. Other equity for the year ended 31 March 2023

	Reserves and surplus						Other comprehensive income			Total
	Capital reserve	Securities premium	Retained earnings	Statutory reserve	Employee stock options reserve (Refer note 39)	Impairment reserve	Remeasurement of defined benefit plan	Effective portion of cash flow hedges	Fair value of investments	
Balance as at 01 April 2022	10.95	4,323.65	6,317.36	1,680.12	-	-	(4.28)	(29.09)	(10.65)	12,288.06
Restated Net profit after tax for the year			2,759.25							2,759.25
Restated Other comprehensive income/(loss) for							(2.36)	29.09	(26.03)	0.70
Restated total comprehensive income for the year	-	-	2,759.25	-	-	-	(2.36)	29.09	(26.03)	2,759.95
Transfer to Statutory reserve and Impairment reserve			(679.49)	551.85		127.64				0.00
Expenses incurred in respect of issue of equity capital			(0.40)							(0.40)
Dividend on equity shares			(131.80)							(131.80)
Employees share based payments expenses					117.16					117.16
Securities premium received during the year		7,839.95								7,839.95
Balance as at 31 March 2023	10.95	12,163.60	8,264.92	2,231.97	117.16	127.64	(6.64)	(0.00)	(36.68)	22,872.92

The above Restated Statement of changes in equity should be read in conjunction with Annexure V - Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information and Annexure VI - Statement of adjustments to the audited financial statements

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Restated Statement of changes in equity (continued)

This is the Restated Statement of changes in equity referred in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No: 301112E/E300264

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

For and on behalf of Board of Directors of

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

CIN No: U67190MH2006PLC159411

Sharad Agarwal

Partner

Membership No: 118522

Rahul Joglekar

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(ACA - 102472)

Karishma Jhaveri

Company Secretary

(ACS - 25932)

Place:- Mumbai

Date: 09 June 2025

Place:- Mumbai

Date: 09 June 2025

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure IV - Restated Statement of cash flows

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from Operating activities			
Restated Profit before tax	13,259.71	7,083.67	3,702.07
<i>Adjustments to reconcile profit before tax to net cash flows :</i>			
Depreciation & amortisation	240.36	114.16	67.87
Impairment on financial instruments	1,465.42	497.85	101.05
(Profit)/loss on property, plant and equipment sold/discarded	0.62	0.99	(0.02)
Interest income	(44,666.07)	(26,209.91)	(13,158.40)
Interest expense	28,841.99	17,280.25	8,114.11
Provision for employee benefits	37.04	7.30	3.80
Employee share based payments expense	101.60	113.50	117.16
Net gain on fair value changes	(279.65)	(311.19)	(71.05)
Net gain on derecognition of financial instruments	(65.84)	-	-
	(1,064.82)	(1,423.38)	(1,123.41)
Cash inflow towards interest received	21,145.85	12,220.67	7,346.02
Cash outflow towards interest paid	(26,260.23)	(15,986.74)	(6,923.63)
Cash inflow/(outflow) from derivative financial instruments	160.50	-	(90.53)
Cash (utilised in) / generated from operations before working capital changes	(6,018.70)	(5,189.45)	(791.55)
Working capital changes			
(Increase) / Decrease in financial assets and non financial assets	(98.82)	(785.75)	(53.92)
Increase / (Decrease) in financial and non financial liabilities	370.92	836.84	353.84
Net cash from Operations	(5,746.60)	(5,138.36)	(491.63)
Loans disbursed (net)	(1,12,441.10)	(1,15,243.05)	(58,845.31)
(Investment)/Redemption in/from cash management schemes of mutual	(1,552.19)	2,056.55	(1,209.66)
Income tax paid (net of refunds)	(3,037.21)	(1,839.80)	(1,023.74)
Net cash flows from/(used in) operating activities	(1,22,777.10)	(1,20,164.66)	(61,570.34)
B. Cash flow from Investing activities			
Investments (net)	(16,771.69)	(12,255.49)	(3,694.10)
Purchase of property, plant and equipment and intangible assets	(354.14)	(286.45)	(150.28)
Proceeds from sale of property, plant and equipment	0.06	0.03	0.03
Net cash flows from/(used in) investing activities	(17,125.77)	(12,541.91)	(3,844.35)
C. Cash flow from Financing activities			
Proceeds from issue of equity shares (including securities premium)	26,990.14	20,715.00	7,999.97
Debt securities & subordinated liabilities issued	46,657.60	39,377.92	38,661.99
Debt securities & subordinated liabilities repaid	(32,000.00)	(29,750.00)	(18,000.00)
Borrowings (other than debt securities) taken	1,56,022.84	1,28,855.90	59,464.54
Borrowings (other than debt securities) repaid	(45,708.79)	(15,693.51)	(18,622.37)
Lease payments	(103.55)	(98.74)	(57.19)
Dividend paid	-	(162.58)	(131.80)
Net cash flows from/(used in) financing activities	1,51,858.24	1,43,243.99	69,315.14
Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,955.37	10,537.42	3,900.45
Cash and cash equivalents at the beginning of the year	14,710.90	4,173.48	273.03
Cash and cash equivalents at the end of the year *	26,666.27	14,710.90	4,173.48

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure IV - Restated Statement of cash flows (continued)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
* Components of cash and cash equivalents			
Balances with bank			
- In current accounts	203.13	175.91	108.11
- In deposits accounts having original maturity less than 3 months	26,463.14	14,534.99	4,065.37
	26,666.27	14,710.90	4,173.48

Note:

1. The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 on 'Statement of Cash Flows'.
2. Acquisition of ROU assets, being non cash item is not included in Statement of Cash flows above. Refer note no 19.1 - Leases

The above Restated statement of cash flows should be read in conjunction with Annexure V - Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information and Annexure VI - Statement of adjustments to the audited financial statements

This is the Restated Statement of cash flows referred in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No: 301112E/E300264

For and on behalf of Board of Directors of

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

CIN No: U67190MH2006PLC159411

Sharad Agarwal

Partner

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Rahul Joglekar

Partner

Membership No: 129389

Manjeet Bijlani

Chief Financial Officer

(ACA - 102472)

Karishma Jhaveri

Company Secretary

(ACS - 25932)

Place:- Mumbai

Date: 09 June 2025

Place:- Mumbai

Date: 09 June 2025

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information

1. Company Overview

Credila Financial Services Limited (Formerly known as HDFC Credila Financial Services Limited), (the "Company") is engaged in the business of originating, funding and servicing loans for the education of Indian students and in providing ancillary services related to the said business activities. The Company was a wholly owned subsidiary of Housing Development Finance Corporation Limited ("HDFC Limited") till 30 June 2023. Pursuant to the merger of HDFC Limited with HDFC Bank Limited with effect from 01 July 2023, the Company became a wholly owned subsidiary of HDFC Bank Limited. On 19 March 2024, HDFC Bank Limited sold 14,01,72,180 equity shares to (a) Kopvoorn B.V., ("EQT Group") and (b) Moss Investments Limited, (c) Defati Investments Holding B.V., (d) Infinity Partners, ("ChrysCapital Group") and the Company ceased to be a subsidiary of HDFC Bank Limited. With effect from 19 March 2024 the Company is became subsidiary of Kopvoorn B.V., which holds 63.96% of the shareholdings as on 31 March 2025.

The Company is a Non-deposit taking Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI"), with Registration No. N-13.01857. Under the scale based regulations for NBFCs, the Company has been classified as NBFC-ML (Middle Layer).

The Company is domiciled in India as a Limited Company having its Registered Office at B 301, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. The Company's Debt Securities are listed on BSE Limited.

2. Basis of Preparation

2.1 Statement of compliance and basis of preparation and presentation of the Restated Financial Information

The Restated Statement of Assets and Liabilities of the Company as at 31 March 2025, 31 March 2024 and 31 March 2023, and the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the year(s) ended 31 March 2025, 31 March 2024 and 31 March 2023, Material Accounting Policies, Notes to the Restated Financial Information and Statement of Adjustments to the Audited Financial Statements for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 ("Statement of Adjustments to the Audited Financial Statements") are together referred as "Restated Financial Statement" / "Restated Financial Information".

These Restated Financial Information have been prepared by the management of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Updated Draft Red Herring Prospectus – I ("UDRHP - I"), Red Herring Prospectus ("RHP") and the Prospectus ("Prospectus") (hereinafter collectively referred to as the "Offer Documents"), to be filed by the Company with the SEBI, BSE Limited ('BSE'), and National Stock Exchange of India Limited ('NSE'), in connection with the proposed initial public offering of the equity shares of the Company (the "Offering").

The Restated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- a. Section 26 of the Companies Act, 2013, as amended from time to time (the "Act");
- b. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the SEBI 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")

The Restated Financial Information has been compiled by the management of the Company from:

- Audited financial statements of the Company as at and for the year(s) ended 31 March 2025, 31 March 2024 and 31

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

March 2023 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 16 May 2025, 01 May 2024 and 17 April 2023 respectively.

- These Restated Financial Information has been approved by the Board of Directors and authorised to be issued on 09 June 2025.

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 Audited financial Statement for the year ended 31 March 2025.

The Restated Financial Information:

- a) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note;
- b) have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, and regrouping / reclassifications, if any, retrospectively in the years ended 31 March 2024 and 31 March 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025; and
- c) do not require any adjustment for qualifications as there are no qualifications in the underlying auditors' reports which require any adjustments.

2.2 Functional and presentation currency

The restated financial statements are presented in Indian Rupees (₹) which is the functional and the presentation currency and all values are rounded to the nearest million, except when otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value.

Historical cost is generally the amount of cash or cash equivalents paid or the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sale of 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 takes 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. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 Share based payment, leasing transactions that are within the scope of Ind AS 116 Leases.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

in the notes to the financial statements.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

1. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The various inputs used and process followed by the Company in measurement of ECL has been detailed in Note 8.1.

2. Effective Interest Rate (“EIR”) Method

The Company’s EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, and fee income/expense that are integral parts of the instrument.

3. Recognition of deferred tax assets; availability of future taxable profits against which tax losses carried forward and unutilised tax breaks can be used

4. Measurement of defined benefit obligations; key actuarial assumptions

5. Fair value of financial instruments

Some of the Company’s financial assets and financial liabilities are measured at fair value for financial reporting purposes. 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.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable, for information about valuation techniques and input used in determining the fair value of various financial assets and financial liabilities are disclosed in Note 38.2.

3. Material Accounting Policy Information

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.

3.1.1 Interest income - EIR method

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the EIR applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or where appropriate a shorter period to the carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and commission paid or received between parties to the contract that are

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at FVTPL, transaction costs are recognised in statement of profit and loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECL).

3.1.2 Net Gain or Loss on Fair Value Changes

The gain/loss on mutual fund is recognised in the statement of profit and loss in net gain on fair value changes as and when units of mutual funds are sold. The unsold units of mutual funds are fair valued on reporting date and unrealised gain/loss is recognised in the statement of profit and loss in net gain on fair value changes.

For qualifying fair value hedges, the cumulative change in the fair value of hedging derivatives is recognised in the statement of profit and loss in net gain on fair value changes. The corresponding change in the fair value of the hedged item attributable to the hedge risk component (interest rate) is also recognised in the statement of profit and loss in net gain on fair value changes.

3.1.3 Commission income

Income from commission includes [i] fees received from the authorised dealers on referral for foreign exchange services, [ii] income on sourcing of insurance business and [iii] income on sourcing of other financial products. The Company recognises commission income in accordance with Ind AS 115 and the terms of the relevant agreement and when it is probable that the Company will collect the consideration.

3.1.4 Income on derecognised (assigned) loans

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

3.1.5 Other fees

Other fees represent documentation charges, ACH/ECS swap charges, cheque bouncing charges, prepayment charges, penal interest charges and these are recognised as income when the amounts become due and there is no uncertainty in realisation.

3.2 Financial instruments

3.2.1 Recognition and Initial Measurement

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities and borrowings when funds are received by the Company.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities,

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities designated at FVTPL are recognised immediately in statement of profit and loss.

3.2.2 Classification and subsequent measurement

Financial Assets

The Company classifies and measures all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either

- Amortised cost
- Fair value through other comprehensive income ("FVOCI")
- Fair value through profit and loss ("FVTPL")

Business model assessment

The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company considers all relevant information and evidence available when making the business model assessment.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business models at each reporting period to determine whether the business models have changed since the preceding period.

• **Amortised cost**

The Company measures cash and bank balances, loans, trade receivables and other financial assets at amortised cost if the following condition is met:

- Financial Assets that are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and that have contractual cash flows that are SPPI.

Solely Payments of Principal and Interest ("SPPI") Test

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meets the SPPI test on the principal outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, the period for which the interest rate is set and other factors which are integral to a lending arrangement.

• **Fair value through other comprehensive income**

The Company classifies and measures certain debt instruments at FVOCI when the investments are held within business model, the objective of which is achieved by both, collecting contractual cash flows and selling the financial instruments and the contractual terms of the financial instruments meet the SPPI test. The Company measures investments in Government and other debt securities, held for the purpose of maintaining the Liquidity Coverage Ratio required by RBI guidelines, at FVOCI.

• **Fair Value through Profit and Loss**

Financial assets at FVTPL are:

- assets with contractual cash flows that do not meet the SPPI test; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in statement of profit and loss.

Subsequent measurement and gains and losses

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt Instruments at FVOCI	These assets are subsequently measured at fair value. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI is recycled to statement of profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial liabilities and equity instruments

• **Classification as debt or equity**

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

• **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as Securities Premium.

• **Financial Liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Financial liabilities are classified as measured at amortised cost except the NCDs which are designated as hedged items and fair valued to the extent of hedge risk component (interest rate).

Subsequent measurement and gains and losses

Financial liabilities, which are classified as measured at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

Undrawn commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the first tranche loan draw down till the study period is over or the amount is fully drawn down, whichever is earlier. Undrawn loan commitments form part of the exposure at default considered for the ECL provisions.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECL are disclosed in Note 8.1.

3.2.3 Modification and derecognition

Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Company provides education loans and some of the terms and conditions of these loans are based on future conditions that are envisaged at the time of the sanctioning / disbursement of the loan, e.g. Study period is based on selection of course / terms and actual completion of study. Due to these conditions, the amount, tenure, etc. of the cash flows from the loans may undergo changes till the starting of EMI on the loan. The change in terms till such time are not considered as modification of financial assets since these are as per the original terms of the loan.

Where a modification does not lead to derecognition, the Company calculates and recognises in the statement of profit and loss, the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance).

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

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 statement of profit and loss.

3.2.4 Impairment

The Company recognises allowances for ECL for loans to customers, other debt financial assets not measured at FVTPL, along with loan commitments issued, together referred to as 'financial instruments'. Equity instruments are not subject to impairment.

ECL is required to be measured through a loss allowance at an amount equal to:

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

For certain loans that do not have significant payment obligations in the next 12 months, the Company uses a higher period instead of 12 months to determine the ECL applicable on such loans till the time significant payment obligations are due in the next 12 months. The Company continues to classify these loans as Stage 1 based on its credit risk on the reporting date.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired or whether the credit risk on that financial asset has increased significantly since the initial recognition. A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL, subject to the above exception.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12-month ECL. Stage 1 loans also include facilities where the credit risk has 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 lifetime expected credit loss. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the lifetime expected credit loss.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

Measurement of expected credit losses

The Company measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. The Company calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the portfolio EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

When estimating ECL for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default ("PD") is the probability of whether the borrowers will default on their obligations in the future which is calculated based on historical default rate summary of past years using the Roll Rate analysis.

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

The Exposure at Default (“EAD”) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and expected drawdowns on committed facilities after considering the expected disbursement.

The Loss Given Default (“LGD”) is an estimate of the loss from a financial asset given that a default occurs. The LGD is computed using the Company’s own loss and recovery experience. It is usually expressed as a percentage of the EAD.

Significant increase in credit risk

The Company monitors all financial instruments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company’s accounting policy on loans is not to use the practical expedient for financial assets that financial assets with ‘low’ credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, in the nature of loans and issued loan commitments that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers qualitative information that is reasonable and supportable, including the Company’s historical experience and forward-looking information that is available without undue cost or effort, including future prospects of general economic conditions based on forecasts of economic information.

As a back-stop when an asset becomes more than 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Credit-impaired financial assets

A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loan due to financial difficulty of the borrower;
- bankruptcy of the borrower.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the PD which affects both the measurement of ECL and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. Quantitative indicators such as overdue status and non-payment on another obligation to the Company of the same counterparty are key inputs in this analysis.

Trade receivables and contract assets

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

3.2.5 Collateral valuation and repossession

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the Board approved Credit Policy. The Company provides fully secured, partially secured and unsecured education loans to individuals. The parameters relating to acceptability and valuation of each type of collateral is a part of the Credit Policy of the Company.

In case of delinquent customers, the Company liquidates the collateral assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors.

3.2.6 Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company’s enforcement activities could result in impairment gains.

3.2.7 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets and
- for loan commitments: as a provision.

3.2.8 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange risk and interest rate risk. Derivatives held include principal only swaps and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain on fair value changes.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationships is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income ("OCI") within other equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI upto that time remains in OCI and is recognised in the statement of profit and loss when the underlying hedged item is matured/expired. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.3 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost in the Balance Sheet.

3.4 Property, plant and equipment (“PPE”)

Recognition and measurement

PPE is recognised when it is probable that future economic benefits associated with the item are expected to flow to the Company and the cost of the item can be measured reliably. Advances paid in respect of PPE are presented under other non-financial assets. PPE held for use are stated in the balance sheet at original cost net of tax / duty credits availed, less accumulated depreciation and accumulated impairment losses. Administrative or other general overhead expenses and borrowing costs that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the PPE.

PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as “capital work-in-progress”.

Depreciation

Depreciation is recognised using straight line method so as to write off the cost of the assets less their residual values over their estimated useful lives as specified in Schedule II to the Act or in case of assets where the estimated useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life / residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. The useful life of the property, plant and equipment held by the Company is as follows:

Class of assets	Useful life
Computers*	4 years
Furniture & Fittings	10 years
Office Equipment	5 years
Motor Cars used other than those used for business of running them on hire	8 years

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

* For the above class of assets, based on technical advice and the internal assessment done, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the of the Companies Act, 2013.

Leasehold improvement is amortised over the remaining duration of the leases.

3.5 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

3.6 Impairment of non-financial assets

As at the end of each reporting period, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

3.7 Employee benefits

i) Short term employee benefits

The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences.

ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident fund

The Company's contribution paid/ payable during the year towards provident fund is charged to statement of profit and loss every year. In accordance with the applicable law, all employees of the Company are entitled to receive benefits under the Provident Fund Act, 1952. The Company contributes an amount on a monthly basis at a determined rate to the pension scheme administered by the Regional Provident Fund Commission ("RPFC").

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity and other post retirement benefits

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity is a defined benefit plan. The cost of providing benefits is determined annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss in curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability and at the present value of the defined benefit obligation as at the balance sheet date as determined basis Actuarial valuation. The same is charged to the statement of profit and loss.

v) Share-based Payment Arrangements

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date. Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

In case of accelerated vesting, the balance amount of fair value of the options is accounted as employee compensation cost on the date of accelerated vesting.

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On cancellation / settlement of options, any compensation paid is accounted as deduction from employee stock option reserve upto the fair value of options and any excess is recognised as an expense.

3.8 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- the Company has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.9 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in other equity).

Current tax

Current income taxes are determined based on taxable income of the Company. Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted by the balance sheet date.

Off-set of Current tax assets and tax liabilities.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3.10 Goods and services tax input credit

Goods and services tax input credit asset is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.11 Borrowing costs

Borrowing costs include interest expense calculated using the EIR method and finance charges in respect of assets acquired on finance lease. EIR includes interest and amortization of ancillary cost incurred in connection with the borrowing of funds.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.12 Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary assets and liabilities are reported at the prevailing closing spot rate. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

3.13 Segments

The Company's main business is providing education loans for higher education in India and abroad. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – Operating Segments reporting is considered to constitute one reportable segment.

3.14 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.15 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- funding related commitment to associate and joint venture companies; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

3.16 Lease accounting

The Company follows Ind AS 116 Leases for all long term and material lease contracts.

Measurement of lease liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

- increased by interest on lease liability;
- reduced by lease payments made; and
- remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 Leases, or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 Leases.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period. The exception permitted in Ind AS 116 Leases for low value assets and short term leases has been adopted by Company, wherever applicable.

Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

3.17 Servicing of Assets / Liabilities

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on derecognition of a financial asset under assigned transactions for a fee, the Company recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet.

The Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.

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4 Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balances with bank			
- In current accounts	203.13	175.91	108.11
- In deposits accounts having original maturity less than 3 months	26,463.14	14,534.99	4,065.37
Total	26,666.27	14,710.90	4,173.48

Balances with banks in current accounts include amount with related parties	-	-	107.90
Balances with Bank in deposit accounts having original maturity less than 3 months includes amount with related parties	-	-	713.12

Balances with banks in current accounts do not earn any interest. Balance in deposit accounts earn interest at fixed rates for varying periods between seven days and three months. The Company places deposits as per the liquidity management requirement.

5 Bank balances other than cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
In deposits accounts having original maturity more than 3 months	13,361.36	6,511.20	1,001.89
Deposits with banks to the extent held as security against the borrowings and guarantees *	17.79	17.81	5.28
Total	13,379.15	6,529.01	1,007.17

* Bank Deposits marked as Lien	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Lien for bank guarantee to Unique Identification Authority of India (UIDAI)	2.50	2.50	2.50
Lien for bank guarantee given to BSE Limited	2.78	2.78	2.50
Lien against overdraft and other facilities	12.00	12.00	-
Total	17.28	17.28	5.00

Amount in deposit accounts having original maturity more than 3 months includes amount with related parties	-	-	1.00
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6 Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the end of the year and are not indicative of either the market risk or credit risk.

	As at 31 March 2025			As at 31 March 2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency derivatives:						
-Currency swaps (Principal only swaps)	72,388.86	574.37	263.81	8,340.50	22.40	32.46
Subtotal (i)	72,388.86	574.37	263.81	8,340.50	22.40	32.46
(ii) Interest rate derivatives						
-Interest rate swaps (USD IRS)	72,388.86	37.75	249.81	8,340.50	120.82	-
-Interest rate swaps (INR OIS)	15,750.00	137.36	187.80	18,750.00	145.00	588.18
Subtotal(ii)	88,138.86	175.11	437.61	27,090.50	265.82	588.18
Total Derivative financial instruments (i)+(ii)	1,60,527.72	749.48	701.42	35,431.00	288.22	620.64
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Interest rate derivatives (INR OIS)	15,750.00	137.36	187.80	18,750.00	145.00	588.18
Subtotal (i)	15,750.00	137.36	187.80	18,750.00	145.00	588.18
(ii) Cash flow hedging:						
- Currency derivatives	72,388.86	574.37	263.81	8,340.50	22.40	32.46
- Interest rate derivatives (INR OIS)	72,388.86	37.75	249.81	8,340.50	120.82	-
Subtotal (ii)	1,44,777.72	612.12	513.62	16,681.00	143.22	32.46
Total Derivative financial instruments (i)+(ii)	1,60,527.72	749.48	701.42	35,431.00	288.22	620.64

	As at 31 March 2023		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I			
(i) Currency derivatives:			
-Currency swaps (Principal only swaps)	-	-	-
Subtotal (i)	-	-	-
(ii) Interest rate derivatives			
-Interest rate swaps (USD IRS)	-	-	-
-Interest rate swaps (INR OIS)	18,750.00	164.78	744.01
Subtotal(ii)	18,750.00	164.78	744.01
Total Derivative financial instruments (i)+(ii)	18,750.00	164.78	744.01
Part II			
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:			
(i) Fair value hedging:			
- Interest rate derivatives (INR OIS)	18,750.00	164.78	744.01
Subtotal (i)	18,750.00	164.78	744.01
(ii) Cash flow hedging:			
- Currency derivatives	-	-	-
Subtotal (ii)	-	-	-
Total Derivative financial instruments (i)+(ii)	18,750.00	164.78	744.01

6.1 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under Ind AS for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

6.2 Refer note 38.3.2.2 for foreign currency risk.

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7 Trade receivables

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Trade receivables - unsecured; considered good	221.33	203.65	14.38
Trade receivables - unsecured; which have significant increase in credit risk	-	-	-
Sub total	221.33	203.65	14.38
Less: Impairment loss allowance	1.39	-	-
Total	219.94	203.65	14.38

Trade receivables includes amounts due from the related parties	-	-	4.18
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Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Undisputed trade receivable considered good			
Less than 6 months	220.33	203.65	14.38
6 months - 1 year	0.43	-	-
1 - 2 year	0.57	-	-
2 - 3 year	-	-	-
More than 3 years	-	-	-
Total	221.33	203.65	14.38
Unbilled dues included in above	0.90	1.50	-

No trade or other receivable is due from directors or other officer of the Company either severally or jointly with any other person. Nor any trade or other receivable is due from firm or private companies in which any director is a partner or director or a member.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

There are no receivables for which there has been a significant increase in credit risk or which have become credit impaired.

8 Loans and advances (at amortised cost)

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Term loans:			
Individual loans	4,17,096.39	2,81,871.98	1,52,976.60
Total – Gross	4,17,096.39	2,81,871.98	1,52,976.60
Less: Impairment loss allowance	2,403.31	1,039.82	587.59
- Stage 1 and 2	1,884.02	923.04	484.96
- Stage 3	519.29	116.78	102.63
Total – Net	4,14,693.08	2,80,832.16	1,52,389.01
(a) Secured by tangible assets	75,886.77	56,652.73	39,572.68
(b) Secured by fixed deposits and other collaterals	2,964.88	2,144.71	1,479.38
(c) Unsecured	3,38,244.74	2,23,074.54	1,11,924.54
Total – Gross (B)	4,17,096.39	2,81,871.98	1,52,976.60
Less: Impairment loss allowance*	2,403.31	1,039.82	587.59
- Stage 1 and 2	1,884.02	923.04	484.96
- Stage 3	519.29	116.78	102.63
Total – Net (B)	4,14,693.08	2,80,832.16	1,52,389.01
(I) Loans in India			
(i) Public sector	-	-	-
(ii) Others			
- Education loans to individuals	4,17,096.39	2,81,871.98	1,52,976.60
Total - Gross (C) (I)	4,17,096.39	2,81,871.98	1,52,976.60
Less: Impairment loss allowance*	2,403.31	1,039.82	587.59
- Stage 1 and 2	1,884.02	923.04	484.96
- Stage 3	519.29	116.78	102.63
Total - Net (C) (I)	4,14,693.08	2,80,832.16	1,52,389.01
(II) Loans outside India	-	-	-
Total (C) (I + II)	4,14,693.08	2,80,832.16	1,52,389.01

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8 Loans and advances (at amortised cost) (continued)

a. Loans details

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Impairment loss allowance does not include towards loan commitments (refer note 21)	68.56	65.67	34.46
Loans given as security towards borrowings / NCDs	3,93,229.44	2,58,626.80	1,34,569.06

During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Secured Loans granted by the Company are secured or partly secured by one or a combination of the following collaterals:

- Immovable property
- Fixed deposits and other collaterals

The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) that are repayable on demand or without specifying any terms or period of repayment.

8.1 Expected credit loss ("ECL")

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

a. Key components of credit risk assessment

The key components of credit risk assessment are:

Probability of Default ("PD"): Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

There are two types of PD relevant for Ind AS 109 ECL calculation:

- 12-month PD – This represents the estimated probability of default occurring within the next 12 months from the reporting date (or over the remaining life of the financial instrument in cases when the financial instruments' remaining life is less than 12 months). 12-month PD is used for the computation of 12-month ECL.
- Lifetime PDs – This represents the estimated probability of a default occurring over the remaining life of the financial instrument and may be further broken down into marginal probabilities for smaller time periods (or term structure) within the remaining life. Lifetime PD is used as an input for calculation of lifetime ECLs for Stage 2 exposures.
- Stage 3 assets are considered to have a 100% PD

Exposure at Default ("EAD"): EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

Loss Given Default ("LGD"): represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The ECL is computed as a product of PD, LGD and EAD.

b. Analysis of inputs to the ECL model under multiple economic scenarios

The ECL model in Ind AS 109 requires issuers to measure expected losses and consider forward-looking information, by reflecting "an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes" and considering "reasonable and supportable information that is available without undue cost or effort at that date about past events, current conditions and forecasts of future economic conditions."

The Company considers PD estimates that have been adjusted using the macro economic overlay. A macroeconomic overlay has been computed taking into account the portfolio specific macroeconomic factors having statistically significant correlation with the default rate and basis the management inputs; that capture the economic conditions of the study country of the borrowers. The Company's macro economic model considers macro economic variables of India, USA, Canada and UK for the respective portfolios. The Company uses management judgement to determine the weights attributable to the three scenarios considered; i.e. a base case, an upside and a downside. The scalar rates applied to the PD have been computed using statistical and regression analysis.

c. Definition and assessment of default

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company;
- the accounts identified by the Company as NPA as per regulatory guidelines; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

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c. Definition and assessment of default (continued)

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. Quantitative indicators such as overdue status and non-payment on another obligation to the Company of the same counterparty are key inputs in this analysis.

The company believes that the macroeconomic conditions of the country where education is pursued significantly impact the employment outcomes for students and borrowers. Hence, the Company expects the PD of the loans in different geographic locations to behave differently. Thus, the loans are segmented geographically to estimate the historical PD and the future PDs modelled from the ECL workings.

The Company categorises financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

0-30 days past due loans classified as Stage 1

It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

31-90 days past due loans classified as Stage 2

The credit risk is presumed to have increased significantly for loans that are more than 30 days past due and less than 90 days past due. For such loans, lifetime default probability is considered. Based on the maturity date of the loan, the probability of default is arrived at to determine the quantum of the loan that is likely to move into the buckets '90 days past due' and greater. In stage 2 and 3, an expected credit loss is calculated for the entire remaining maturity of the asset.

Above 90 days past due loans classified as Stage 3

The company recognises a financial asset to be credit impaired and in stage 3 where principal and/or interest are past due for more than 90 days.

Along with delinquency buckets; the internally developed criteria to analyse whether there is increase in credit risk or whether the asset is credit impaired are considered for staging of loans.

d. Other Inputs to the ECL Computation

The following inputs are explained in the Material Accounting Policies.

- Significant increase in credit risk of the credit exposure
- ECL computation methodology
- Policy on write off of loan assets
- Reclassification of loan assets within the stages

e. Internal grading system

The Company's independent Credit Risk Department operates as per internal rating models. The Company segments its portfolio in a way that customers are rated from 'Standard' to 'NPA' using internal grades. The models incorporates quantitative information specific to the borrower.

The Company's internal credit rating grades:

Internal rating grade	Internal rating description
Standard - No Overdue	Principal or interest payment not overdue
Standard Restructured	Accounts restructured under RBI's Resolution Framework for COVID 19 related Stress
SMA-0	Principal or interest payment overdue between 1-30 days
SMA-1	Principal or interest payment overdue between 31-60 days
SMA-2	Principal or interest payment overdue between 61-90 days
NPA	Principal or interest payment overdue more than 90 days

f. Management overlay in addition to the base expected credit loss provision due to macro-economic factors:

For the year ended 31 March 2025

The Company proactively monitors the risks arising due to global macro-economic scenario to safeguard the resilience of the Company's loan portfolio and the overall financial stability. The economic growth prospects of our key study locations are driven by many factors like GDP growth rate, unemployment rate, inflation and geopolitical stability among others. The global economic outlook for 2025 has turned increasingly negative due to rising geopolitical tensions, trade disruptions, and policy uncertainties. Key economies including the U.S., U.K., Canada, and several emerging markets are facing slower growth, elevated inflation, and reduced investor confidence. The probability of a global recession has risen significantly, with the IMF and WTO issuing warnings about the impact of widespread tariff measures and protectionist policies. These macroeconomic challenges are also leading to tighter consumer spending, reduced trade flows, and weakening credit conditions across markets.

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f. Management overlay in addition to the base expected credit loss provision due to macro-economic factors (continued)

In light of these developments, the Company has adopted a more cautious credit risk approach and considered higher probability of defaults of selected pools which are under moratorium and where the moratorium is expected to end in next 12 months for the U.S.A, 15 months for the U.K. and other global markets while maintaining 18 months for Canada and 12 months for India. These measures aim to strengthen provisioning and safeguard asset quality in a highly uncertain global environment.

Considering the above macro-economic factors and geopolitical conditions, the Company has, in view of prudence, continued to maintain management overlay while assessing the expected credit loss to be carried.

For the year ended 31 March 2024

During the year ended 31 March 2024 the Company proactively monitors the risks arising as result of adverse macro-economic scenario to safeguard the resilience of the Company's loan portfolio and the overall financial stability. The economic growth prospects are driven by many factors.

As economies were gradually rebounding from recession concerns, renewed escalations between Israel and Iran added further tensions, potentially disrupting global supply chains and driving up crude oil prices. Central banks worldwide are cautious of potential inflationary pressures, which could lead them to defer the impending rate cuts for some time.

Cumulatively, the result of the prevailing conditions can derail the growth prospects of the economies and hence, the credit quality of the loan portfolio may be impacted more than what has been estimated in the base Expected Credit Loss model as at the reporting date. Therefore, the Company reviews the overlay every quarter to mitigate the potential impact on the Company's financial performance.

The Company has created a management overlay of ₹ 326.94 Mn towards the loans where the students who are expected to start servicing their full equated monthly instalments (EMIs) on completion of their moratorium period (study period + grace period) in the next 18 months for Canada, India and UK Portfolios and 15 months for USA and Other Countries Portfolio considering the possible delays in seeking gainful employment in the prevailing economic scenario.

For the year ended 31 March 2023

During the year ended 31 March 2023 as the global economies were slowly returning to normalcy after waging a two year long war with the deadly Covid 19 pandemic they were faced with the Russia-Ukraine conflict and the Zero Covid policy adopted by China. Cumulatively these events have led to disruption of the global supply chains, long term impact on prices of key commodities and energy pushing several economies in a hyper-inflationary state. Central Banks world over have taken policy actions by raising interest rates to tame inflation albeit at the cost of growth and continue to maintain a hawkish stance leading to fears of recession.

The final impact of the ongoing geo-political conflicts, disrupted supply chains and the deteriorated macroeconomic factors continues to be uncertain and the actual impact of these on the credit quality of the loan portfolio may be different than the that estimated in the base Expected Credit Loss model as at the date of approval of these financial statements. Given the dynamic nature of these conditions the management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

The Company has created a Management overlay of ₹ 180.05 Mn on the loan portfolio wherein, the students are expected to start servicing of their full equated monthly instalments (EMIs) on completion of their moratorium period (study period + grace period of 12 month) in the next 18 months who may face delays in seeking gainful employment in the prevailing economic scenario.

g. Other Management overlay

The Company has identified certain cases as doubtful assets and loss assets, based on the loans being unsecured in nature and requiring 100% provision under the applicable Income Recognition and Asset Classification norms of the RBI. The maximum provision as per the ECL model is limited to the percentage of Loss Given Default, hence the Company has created additional management overlay to provide for 100% provision against these unsecured doubtful and loss Assets.

h. One time restructuring under RBI Resolution Framework

During the year ended 31 March 2022, the Company had restructured loan accounts in accordance with the Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses as per the RBI Circular dated 05 May 2021 (Resolution Framework 2.0). These accounts were reviewed and assessed as having a significant increase in credit risk and were classified as Stage 2 and Stage 3 in accordance with the Company's provisioning policy under the ECL framework. Out of ₹ 1,250.96 lakhs outstanding on 31 March 2023, the loans which were classified as "standard restructured" have been upgraded or repaid and there are no loans outstanding under "standard restructured" category as on 31 March 2024.

Details of resolution plan implemented under the Resolution Framework 1.0 as per RBI circular dated 06 August 2020 and Resolution Framework 2.0 as per RBI circular dated 05 May 2021 are disclosed in note 41.27

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8.1 Expected credit loss ("ECL") (continued)

i. Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Standard - No Overdue	4,13,392.04	1,680.97	106.27	4,15,179.28	2,80,400.39	940.22	-	2,81,340.61
Standard Restructured ¹	-	-	-	-	-	-	-	-
SMA - 0	574.92	144.06	-	718.98	227.49	2.04	-	229.53
SMA - 1	-	371.18	-	371.18	-	65.57	-	65.57
SMA - 2	-	134.46	-	134.46	-	21.63	-	21.63
Non Performing Assets	-	-	692.49	692.49	-	-	214.64	214.64
Total	4,13,966.96	2,330.67	798.76	4,17,096.39	2,80,627.88	1,029.46	214.64	2,81,871.98

Particulars	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Standard - No Overdue	1,51,687.75	508.88	-	1,52,196.63
Standard Restructured ¹	-	56.13	68.97	125.10
SMA - 0	444.90	1.28	-	446.19
SMA - 1	-	18.85	-	18.85
SMA - 2	-	4.78	-	4.78
Non Performing Assets	-	-	185.06	185.06
Total	1,52,132.65	589.92	254.03	1,52,976.60

¹ Considering the disruption caused by the COVID-19 pandemic the Company had offered one time restructuring to loans eligible under the RBI's Resolution Framework 1.0 & 2.0 during the earlier years. The financial assets mentioned above were modified due to said Frameworks and were based on terms and conditions which did not result in substantial modifications in the cash flows and hence, were not derecognised.

The Exposure to such accounts was presented in Stage 2 and Stage 3, there are no such account outstanding and classified as standard restructured as at 31 March 2025, 31 March 2024 and 31 March 2023 as the same have been upgraded or repaid.

8.1 Expected credit loss ("ECL") (continued)

j. An analysis of changes in the gross carrying amount and the corresponding impairment loss allowances in relation to lending is as follows:

Reconciliation of the gross carrying amount:

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,80,627.88	1,029.46	214.64	2,81,871.98	1,52,132.65	589.92	254.03	1,52,976.60
Increase in EAD - new assets originated or purchased/ further increase in existing assets (net)	1,77,567.78	193.46	30.08	1,77,791.32	1,56,893.77	653.05	16.60	1,57,563.42
Transfers during the year								
transfers to Stage 1	3,886.38	(3,818.26)	(68.12)	-	761.78	(661.14)	(100.64)	-
transfers to Stage 2	(5,510.06)	5,591.65	(81.59)	-	(680.11)	682.75	(2.64)	-
transfers to Stage 3	(371.24)	(497.96)	869.20	-	(37.31)	(72.04)	109.35	-
	(1,994.92)	1,275.43	719.49	-	44.36	(50.43)	6.07	-
Assets repaid in part or full (excluding write offs)	(42,233.78)	(167.68)	(95.11)	(42,496.57)	(28,442.90)	(163.08)	(47.65)	(28,653.63)
Amounts written off ¹	-	-	(70.34)	(70.34)	-	-	(14.41)	(14.41)
Gross carrying amount closing balance	4,13,966.96	2,330.67	798.76	4,17,096.39	2,80,627.88	1,029.46	214.64	2,81,871.98

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Reconciliation of the gross carrying amount (continued)

Particulars	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	87,390.30	484.08	506.16	88,380.54
Increase in EAD - new assets originated or purchased/ further increase in existing assets (net)	86,954.60	323.63	29.08	87,307.31
Transfers during the year				
transfers to Stage 1	777.87	(546.26)	(231.61)	-
transfers to Stage 2	(935.02)	942.49	(7.47)	-
transfers to Stage 3	(48.85)	(33.01)	81.86	-
	(206.00)	363.22	(157.22)	(0.00)
Assets repaid in part or full (excluding write offs)	(22,006.25)	(581.01)	(121.91)	(22,709.17)
Amounts written off ¹	-	-	(2.08)	(2.08)
Gross carrying amount closing balance	1,52,132.65	589.92	254.03	1,52,976.60

¹ The amounts written off presented above are subject to enforcement activity.

k. An analysis of changes in the gross carrying amount and the corresponding impairment loss allowances in relation to lending is as follows

Reconciliation of impairment loss allowance on gross carrying value of loans is given below:

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	656.41	266.62	116.79	1,039.82	345.81	139.15	102.63	587.59
Changes in ECL due to -								
Transfers during the year								
transfers to Stage 1	1,005.15	(971.05)	(34.10)	-	179.68	(154.72)	(24.96)	-
transfers to Stage 2	(5.95)	29.99	(24.04)	-	(0.67)	1.64	(0.97)	-
transfers to Stage 3	(0.22)	(128.72)	128.94	-	(0.03)	(14.79)	14.82	-
	998.98	(1,069.78)	70.80	-	178.98	(167.87)	(11.11)	-
ECL remeasurements due to changes in EAD / assumptions [Net]	(775.62)	1,415.87	305.17	945.42	(15.27)	295.34	2.37	282.44
Management Overlay	391.54	-	26.53	418.07	146.89	-	22.90	169.79
Impairment loss allowance - closing balance	1,271.31	612.71	519.29	2,403.31	656.41	266.62	116.79	1,039.82

Particulars	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	252.75	86.37	173.00	512.11
Changes in ECL due to -				
Transfers during the year				
transfers to Stage 1	159.28	(102.31)	(56.97)	-
transfers to Stage 2	(0.72)	3.00	(2.28)	-
transfers to Stage 3	(0.03)	(4.95)	4.98	-
	158.53	(104.26)	(54.27)	-
ECL remeasurements due to changes in EAD / assumptions [Net]	(60.65)	157.04	(12.99)	83.40
Management Overlay	(4.82)	-	(3.11)	(7.92)
Impairment loss allowance - closing balance	345.81	139.15	102.63	587.59

The increase in impairment loss allowance of the portfolio was driven by an increase in the gross size of the portfolio, movements between stages as a result of increase in credit risk and changes to the PD and LGD inputs during the year.

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8.1 Expected credit loss ("ECL") (continued)

Reconciliation of impairment loss allowance on undisbursed commitments is given below:

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	60.36	5.31	-	65.67	31.40	3.06	-	34.46
Transfers during the year								
transfers to Stage 1	4.80	(4.80)	-	-	1.72	(1.72)	-	-
transfers to Stage 2	(1.87)	1.87	-	-	(3.99)	3.99	-	-
transfers to Stage 3	-	(0.02)	0.02	-	-	-	-	-
	2.93	(2.95)	0.02	-	(2.27)	2.27	-	-
ECL remeasurements due to changes in EAD / assumptions [Net]	1.74	1.17	(0.02)	2.89	31.23	(0.02)	-	31.21
Impairment loss allowance - closing balance	65.03	3.53	-	68.56	60.36	5.31	-	65.67

Particulars	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	9.20	1.77	-	10.97
Transfers during the year				
transfers to Stage 1	0.94	(0.94)	-	-
transfers to Stage 2	(2.31)	2.31	-	-
transfers to Stage 3	-	(0.01)	0.01	-
	(1.37)	1.36	0.01	-
ECL remeasurements due to changes in EAD / assumptions [Net]	23.57	(0.07)	(0.01)	23.49
Impairment loss allowance - closing balance	31.40	3.06	-	34.46

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
The above provision was computed based on amount of undisbursed commitment	35,795.51	38,503.41	21,362.77

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9 Investments

As at 31 March 2025

		At fair value	
	Through other comprehensive income	Through profit or loss	Total
Investment in mutual funds	-	2,077.15	2,077.15
Investment in Government Securities	21,704.20	-	21,704.20
Total - Gross (A)	21,704.20	2,077.15	23,781.35
Investments in India	21,704.20	2,077.15	23,781.35
Investments outside India	-	-	-
Total - Gross (B)	21,704.20	2,077.15	23,781.35
Less: Allowance for impairment loss (C)	-	-	-
Total – Net (D) = (A - C)	21,704.20	2,077.15	23,781.35

As at 31 March 2024

		At fair value	
	Through other comprehensive income	Through profit or loss	Total
Investment in mutual funds	-	250.13	250.13
Investment in Government Securities	11,003.38	-	11,003.38
Total - Gross (A)	11,003.38	250.13	11,253.51
Investments in India	11,003.38	250.13	11,253.51
Investments outside India	-	-	-
Total - Gross (B)	11,003.38	250.13	11,253.51
Less: Allowance for impairment loss (C)	-	-	-
Total – Net (D) = (A - C)	11,003.38	250.13	11,253.51

As at 31 March 2023

		At fair value	
	Through other comprehensive income	Through profit or loss	Total
Investment in mutual funds	-	2,016.26	2,016.26
Investment in Government Securities	3,903.64	-	3,903.64
Total - Gross (A)	3,903.64	2,016.26	5,919.90
Investments in India	3,903.64	2,016.26	5,919.90
Investments outside India	-	-	-
Total - Gross (B)	3,903.64	2,016.26	5,919.90
Less: Allowance for impairment loss (C)	-	-	-
Total – Net (D) = (A - C)	3,903.64	2,016.26	5,919.90

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(All amounts in INR Millions, unless otherwise stated)

10 Other financial assets

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Unsecured; considered good			
Security deposits	99.74	51.23	26.28
Other loan & advances - advances to employees	3.89	3.58	2.34
Credit Support Annexure (CSA) margin placed	119.46	451.70	-
Excess interest spread receivable	65.84	-	-
Others	203.28	49.81	-
Total - Gross	492.21	556.32	28.62
Less: Impairment loss allowance	27.31	-	-
Total - Net	464.90	556.32	28.62
Security deposits includes towards related parties	-	-	0.20
Other financial assets includes towards related parties	-	10.10	-

11 Current tax assets (net)

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Advance tax	1,062.33	4,656.63	2,284.30
Provision for tax	(1,062.31)	(4,620.42)	(2,261.49)
Advance tax (net of provision)	0.02	36.21	22.81

12 Deferred tax

The following table shows deferred tax assets (net) recorded in the balance sheet and changes in deferred tax recorded in the statement of profit and loss and other comprehensive income:

a. As at 31 March 2025

Particulars	Deferred tax assets / (liabilities)	Changes in deferred tax recorded in statement of profit and loss	Changes in deferred tax recorded in other comprehensive income	Deferred tax assets / (liabilities)
	As at 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2025	As at 31 March 2025
Depreciation on property, plant and equipment and intangible assets	(1.61)	(22.26)		(23.87)
Application of effective interest rate on financial assets	228.26	(129.71)		98.55
Application of effective interest rate on financial liabilities	(175.64)	(192.24)		(367.89)
Impairment on financial instruments	251.01	267.51		518.52
Provisions for employee benefits	13.42	7.15	3.00	23.57
Lease liabilities	90.36	(68.39)	-	21.97
Right of use assets	(84.86)	72.20		(12.66)
Derivative financial assets	(23.76)	(14.02)	26.51	(11.27)
Derivative financial liabilities	148.03	(84.20)	64.13	127.96
Unrealised (gain) / loss on derecognition of financial instrument	-	(16.57)		(16.57)
Fair valuation of financial liabilities	(141.79)	96.89		(44.90)
Fair valuation of investments	(2.60)	(1.42)	(41.66)	(45.68)
Total	300.82	(85.06)	51.98	267.74

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12 Deferred tax (continued)

b. As at 31 March 2024

Particulars	Deferred tax assets / (liabilities)	Changes in deferred tax recorded in statement of profit and loss	Changes in deferred tax recorded in other comprehensive income	Deferred tax assets / (liabilities)
	As at 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2024	As at 31 March 2024
Depreciation on property, plant and equipment and intangible assets	(0.46)	(1.15)	-	(1.61)
Application of effective interest rate on financial assets	173.12	55.14	-	228.26
Application of effective interest rate on financial liabilities	(58.19)	(117.45)	-	(175.64)
Impairment on financial instruments	133.71	117.30	-	251.01
Provisions for employee benefits	10.19	1.84	1.39	13.42
Lease liabilities	42.30	48.06	-	90.36
Right of use assets	(39.51)	(45.35)	-	(84.86)
Derivative financial assets	-	-	(23.76)	(23.76)
Derivative financial liabilities	187.21	(39.18)	-	148.03
Employee share based payments expenses	29.49	(29.49)	-	-
Fair valuation of financial liabilities	(175.78)	33.99	-	(141.79)
Fair valuation of investments	11.65	0.71	(14.96)	(2.60)
Total	313.73	24.42	(37.33)	300.82

c. As at 31 March 2023

Particulars	Deferred tax assets / (liabilities)	Changes in deferred tax recorded in statement of profit and loss	Changes in deferred tax recorded in other comprehensive income	Deferred tax assets / (liabilities)
	As at 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2023	As at 31 March 2023
Depreciation on property, plant and equipment and intangible assets	0.59	(1.05)	-	(0.46)
Application of effective interest rate on financial assets	87.58	85.54	-	173.12
Application of effective interest rate on financial liabilities	(30.17)	(28.02)	-	(58.19)
Impairment on financial instruments	108.30	25.41	-	133.71
Provisions for employee benefits	8.44	0.96	0.79	10.19
Lease liabilities	28.10	14.20	-	42.30
Right of use assets	(26.52)	(12.99)	-	(39.51)
Derivative financial assets	(5.90)	-	5.90	-
Derivative financial liabilities	180.09	7.12	-	187.21
Employee share based payments expenses	-	29.49	-	29.49
Fair valuation of financial liabilities	(175.11)	(0.67)	-	(175.78)
Fair valuation of investments	2.48	0.41	8.76	11.65
Total	177.88	120.40	15.45	313.73

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

13 Property, plant and equipment & intangible assets

The changes in the carrying value of property, plant and equipment & intangible assets for the year ended 31 March 2025 are as follows:

	Gross Block				Accumulated depreciation/amortisation				Net Block	
	As at 01 April 2024	Additions during the year	Deletions/ Write-offs during the year	As at 31 March 2025	As at 01 April 2024	For the year	Deletions/ Write-offs during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
A Tangible assets:										
Office equipment	17.63	15.43	1.80	31.26	10.82	4.49	1.58	13.73	17.53	6.81
Computers	91.73	54.98	1.28	145.43	40.09	27.36	1.24	66.21	79.22	51.64
Furniture & fixtures	16.79	9.76	0.79	25.76	6.07	2.62	0.37	8.32	17.44	10.72
Vehicles	4.17	-	-	4.17	0.81	0.52	-	1.33	2.84	3.36
Lease hold Improvements	-	51.03	-	51.03	-	6.71	-	6.71	44.32	-
Right of use assets (Buildings)	529.39	479.68	136.23	872.84	192.25	134.99	63.27	263.97	608.87	337.13
Sub-total (A)	659.71	610.88	140.10	1,130.49	250.04	176.69	66.46	360.27	770.22	409.66
B Intangible assets:										
Softwares	25.44	371.62	-	397.06	9.27	63.67	-	72.94	324.12	16.17
Sub-total (B)	25.44	371.62	-	397.06	9.27	63.67	-	72.94	324.12	16.17
C Capital work in progress (C)	45.20	36.41	45.20	36.41	-	-	-	-	36.41	45.20
D Intangible assets under development (D)	304.34	357.36	504.19	157.51	-	-	-	-	157.51	304.34
Total (A+B+C+D)	1,034.69	1,376.27	689.49	1,721.47	259.31	240.36	66.46	433.21	1,288.26	775.37

The changes in the carrying value of property, plant and equipment & intangible assets for the year ended 31 March 2024 are as follows:

	Gross Block				Accumulated depreciation/amortisation				Net Block	
	As at 01 April 2023	Additions during the year	Deletions/ Write-offs during the year	As at 31 March 2024	As at 01 April 2023	For the year	Deletions/ Write-offs during the year	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
A Tangible assets:										
Office equipment	15.51	2.28	0.16	17.63	9.02	1.96	0.16	10.82	6.81	6.50
Computers	70.36	27.45	6.08	91.73	26.25	19.16	5.32	40.09	51.64	44.09
Furniture & fixtures	16.58	0.92	0.71	16.79	4.78	1.74	0.44	6.07	10.72	11.81
Vehicles	4.17	-	-	4.17	0.29	0.52	-	0.81	3.36	3.89
Right of use assets (Buildings)	260.17	284.94	15.72	529.39	103.25	89.80	0.80	192.25	337.13	156.91
Sub-total (A)	366.79	315.59	22.67	659.71	143.59	113.18	6.72	250.04	409.66	223.20
B Intangible assets:										
Softwares	8.45	16.99	-	25.44	8.29	0.98	-	9.27	16.17	0.16
Sub-total (B)	8.45	16.99	-	25.44	8.29	0.98	-	9.27	16.17	0.16
C Capital work in progress (C)	-	45.20	-	45.20	-	-	-	-	45.20	-
D Intangible assets under development (D)	113.81	190.53	-	304.34	-	-	-	-	304.34	113.81
Total (A+B+C+D)	489.05	568.31	22.67	1,034.69	151.88	114.16	6.72	259.32	775.37	337.17

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13 Property, plant and equipment & intangible assets (continued)

The changes in the carrying value of property, plant and equipment & intangible assets for the year ended 31 March 2023 are as follows:

	Gross Block				Accumulated depreciation/amortisation				Net Block	
	As at 01 April 2022	Additions during the year	Deletions/ Write-offs during the year	As at 31 March 2023	As at 01 April 2022	For the year	Deletions/ Write-offs during the year	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
A Tangible assets:										
Office equipment	9.75	5.90	0.14	15.51	7.44	1.71	0.13	9.02	6.49	2.31
Computers	37.03	35.41	2.08	70.36	16.99	11.35	2.09	26.25	44.11	20.04
Furniture & fixtures	8.16	8.43	0.01	16.58	3.45	1.34	0.01	4.78	11.80	4.71
Vehicles	-	4.17	-	4.17	-	0.29	-	0.29	3.88	-
Right of use assets (Buildings)	164.80	110.14	14.77	260.17	59.43	52.11	8.29	103.25	156.92	105.37
Sub-total (A)	219.74	164.05	17.00	366.79	87.31	66.80	10.52	143.59	223.20	132.43
B Intangible assets:										
Softwares	8.45			8.45	7.22	1.07	-	8.29	0.16	1.22
Sub-total (B)	8.45	-	-	8.45	7.22	1.07	-	8.29	0.16	1.22
C Intangible assets under development (D)	17.45	96.36		113.81	-			-	113.81	17.45
Total (A+B+C+D)	245.64	260.41	17.00	489.05	94.53	67.87	10.52	151.88	337.17	151.10

13 Property, plant and equipment & intangible assets (continued)

Intangible assets under development aging schedule

As at 31 March 2025

Sr.No.	Particulars	Amount in intangible assets under development for a period of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	Projects in progress	148.95	8.56	-	-	157.51
2	Projects temporarily suspended	-	-	-	-	-

As at 31 March 2024

Sr.No.	Particulars	Amount in intangible assets under development for a period of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	Projects in progress	190.53	96.36	17.45	-	304.34
2	Projects temporarily suspended	-	-	-	-	-

As at 31 March 2023

Sr.No.	Particulars	Amount in intangible assets under development for a period of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	Projects in progress	12.55	101.26		-	113.81
2	Projects temporarily suspended	-	-	-	-	-

Note: There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

14 Other non financial assets

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	71.86	35.65	24.59
Receivable from government authorities	339.18	125.56	61.75
Others	23.81	12.31	3.04
Total	434.85	173.52	89.38
Prepaid expenses includes towards related parties	-	-	4.20
Others includes towards related parties	-	-	0.13

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15 Trade payables

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	2.99	2.57	1.86
Total outstanding dues of creditors other than micro enterprises and small enterprises			
- Payable to vendors	60.41	20.81	23.31
- Accrued expenses	471.67	241.08	181.03
Total	535.07	264.46	206.20
Trade payable includes towards related parties	-	-	63.35

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
a) Principal amount and the interest due thereon	2.99	2.57	1.86
b) The amount of interest paid	-	-	-
c) Amounts paid after appointed date during the year	-	-	-
d) Amount of interest accrued and unpaid as at year end	-	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-	-
Total	2.99	2.57	1.86

For the year ended 31 March 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Micro, Small and Medium Enterprises ("MSME")	2.99	-	-	-	2.99
Others	60.41	-	-	-	60.41
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Accrued expenses	471.67	-	-	-	471.67
Total	535.07	-	-	-	535.07

For the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Micro, Small and Medium Enterprises ("MSME")	2.57	-	-	-	2.57
Others	20.81	-	-	-	20.81
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Accrued expenses	226.55	13.17	0.96	0.40	241.08
Total	249.93	13.17	0.96	0.40	264.46

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Micro, Small and Medium Enterprises ("MSME")	1.86	-	-	-	1.86
Others	23.31	-	-	-	23.31
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Accrued expenses	172.69	4.40	2.07	1.87	181.03
Total	197.86	4.40	2.07	1.87	206.20

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

16 Debt securities - at amortised cost

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Non convertible debentures - secured	40,100.00	31,000.00	33,000.00
Less : Unamortised borrowing cost	(40.10)	(36.28)	(39.92)
Less : Fair value impact of hedged risk component (interest rate risk)	(71.10)	(332.68)	(418.24)
Total Non convertible debentures - secured (i)	39,988.80	30,631.04	32,541.84
Commercial paper - unsecured (ii)	19,374.24	11,376.36	2,698.23
Total (A) (i + ii)	59,363.04	42,007.40	35,240.07
Debt securities in India	59,363.04	42,007.40	35,240.07
Debt securities outside India	-	-	-
Total (B) to tally with (A)	59,363.04	42,007.40	35,240.07

16.1 Terms of nominal value of debentures and repayment terms as at 31 March 2025

Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
Debt securities					
Non convertible debentures - secured*					
6.00% - 7.00%	-	1,999.04	-	-	1,999.04
7.01% - 8.00%	-	-	1,998.56	5,993.81	7,992.37
8.01% - 9.00%	-	2,994.86	3,994.88	13,487.03	20,476.77
9.01% - 9.50%	4,996.29	1,998.85	2,596.58	-	9,591.72
Total	4,996.29	6,992.75	8,590.02	19,480.84	40,059.90
Commercial paper - unsecured					
8.01% - 9.00%	19,374.24	-	-	-	19,374.24
Total	19,374.24	-	-	-	19,374.24
Total debt securities	24,370.53	6,992.75	8,590.02	19,480.84	59,434.14

The above table does not include unrealised gain of ₹ 71.10 Mn on fair valuation of non-convertible debentures designated at FVTPL.

Terms of nominal value of debentures and repayment terms as at 31 March 2024

Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
Debt securities					
Non convertible debentures - secured*					
5.99% - 7.00%	-	-	1,998.70	-	1,998.70
7.01% - 8.00%	1,998.94	-	1,998.25	5,993.13	9,990.32
8.01% - 9.00%	999.79	-	2,993.40	11,982.26	15,975.44
Benchmark linked (3 months T-Bill)	2,999.25	-	-	-	2,999.25
Total	5,997.98	-	6,990.35	17,975.39	30,963.72
Commercial paper - unsecured					
8.01% - 9.00%	11,376.36	-	-	-	11,376.36
Total	11,376.36	-	-	-	11,376.36
Total debt securities	17,374.34	-	6,990.35	17,975.39	42,340.08

The above table does not include unrealised gain of ₹ 332.68 Mn on fair valuation of non-convertible debentures designated at FVTPL.

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16 Debt securities - at amortised cost (continued)

Terms of nominal value of debentures and repayment terms as at 31 March 2023

Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
Debt securities					
Non convertible debentures - secured*					
5.99% - 7.00%	1,999.75	-	1,998.39	-	3,998.14
7.01% - 8.00%	-	1,997.75	-	7,990.46	9,988.21
8.01% - 9.00%	-	998.82	2,994.05	11,982.33	15,975.20
Benchmark linked (3 months T-Bill)	-	2,998.53	-	-	2,998.53
Total	1,999.75	5,995.10	4,992.44	19,972.79	32,960.08
Commercial paper - unsecured					
7.01% - 8.00%	972.79	-	-	-	972.79
8.01% - 9.00%	1,725.44	-	-	-	1,725.44
Total	2,698.23	-	-	-	2,698.23
Total debt securities	4,697.98	5,995.10	4,992.44	19,972.79	35,658.31

The above table does not include unrealised gain of ₹ 418.24 Mn on fair valuation of non-convertible debentures designated at FVTPL.

*All secured non convertible debentures are secured by pari-passu charge on education loan receivables and have bullet repayment on maturity date.

All commercial papers are unsecured and have bullet repayment on maturity date.

The quarterly asset cover statements filed by the Company with banks and financial institutions as per sanctioned terms and conditions are in agreement with the books of accounts.

17 Borrowings (other than debt securities) - at amortised cost

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Secured			
Term loans from banks	2,34,200.98	1,85,264.83	84,779.17
Term loans from other parties	3,859.37	4,458.33	3,997.52
External commercial borrowing	72,388.86	8,340.50	-
Loans repayable on demand from banks	4,756.00	4,490.00	-
Sub Total	3,15,205.21	2,02,553.66	88,776.69
Less : Unamortised borrowing cost	(1,359.88)	(581.16)	(149.33)
Total Borrowings (other than debt securities) (A)	3,13,845.33	2,01,972.50	88,627.36
Borrowings in India	2,42,341.53	1,93,742.86	88,627.36
Borrowings outside India	71,503.80	8,229.64	-
Total (B) to tally with (A)	3,13,845.33	2,01,972.50	88,627.36

17.1 Terms of borrowings and repayment as at 31 March 2025

Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
Borrowings (Other than debt securities)					
Term loans from banks and other parties					
8.01% - 9.00%	44,032.33	62,576.57	25,273.34	1,606.74	1,33,488.98
9.01% - 10.00%	23,313.03	49,840.74	25,750.40	5,192.38	1,04,096.55
Total	67,345.36	1,12,417.31	51,023.74	6,799.12	2,37,585.53
Overdrafts & working capital demand loans from banks					
8.01% - 9.00%	4,750.00	-	-	-	4,750.00
9.01% - 10.00%	6.00	-	-	-	6.00
Total	4,756.00	-	-	-	4,756.00
External commercial borrowing (ECBs)					
3 Month SOFR + 100 bps to 160 bps	-	57,612.08	13,891.72	-	71,503.80
Total	-	57,612.08	13,891.72	-	71,503.80
Total borrowings (Other than debt securities)	72,101.36	1,70,029.39	64,915.46	6,799.12	3,13,845.33

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17 Borrowings (other than debt securities) - at amortised cost (continued)

Terms of borrowings and repayment as at 31 March 2024

Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
Borrowings (Other than debt securities)					
Term loans from banks and other parties					
8.01% - 9.00%	23,019.05	60,651.50	37,137.03	11,957.09	1,32,764.67
9.01% - 10.00%	14,727.32	26,466.99	14,546.27	747.61	56,488.19
Total	37,746.37	87,118.49	51,683.30	12,704.70	1,89,252.86
Overdrafts & working capital demand loans from banks					
8.01% - 9.00%	4,490.00	-	-	-	4,490.00
Total	4,490.00	-	-	-	4,490.00
External commercial borrowing (ECBs)					
3 Month SOFR + 100 bps to 160 bps	-	8,229.64	-	-	8,229.64
Total	-	8,229.64	-	-	8,229.64
Total borrowings (Other than debt securities)	42,236.37	95,348.13	51,683.30	12,704.70	2,01,972.50

Terms of borrowings and repayment as at 31 March 2023

Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
Borrowings (Other than debt securities)					
Term loans from banks and other parties					
7.01% - 8.00%	1,328.20	7,596.73	5,530.89	2,497.66	16,953.48
8.01% - 9.00%	8,427.46	32,150.34	23,759.66	7,336.42	71,673.88
Total	9,755.66	39,747.07	29,290.56	9,834.08	88,627.36
Overdrafts & working capital demand loans from banks					
8.01% - 9.00%	-	-	-	-	-
Total	-	-	-	-	-
External commercial borrowing (ECBs)					
3 Month SOFR + 100 bps to 160 bps	-	-	-	-	-
Total	-	-	-	-	-
Total borrowings (Other than debt securities)	9,755.66	39,747.07	29,290.56	9,834.08	88,627.36

All term loans from banks and financial institutions, working capital demand loans and ECBs are secured by pari-passu charge on the education loan receivables of the Company. The borrowings have not been guaranteed by directors or others. Also there is no default in repayment of borrowings and interest thereon. Term loans and working capital demand loans are borrowed at floating rate of interest. Term loans are repayable in quarterly/half yearly installments after moratorium period and ECBs had bullet repayment on maturity date.

The Company has used the borrowings from the banks and the financial institutions for the purpose for which it was taken.

ECBs were borrowed for further lending of education loans as per the ECB guidelines issued by RBI from time to time. In terms of RBI guidelines, borrowings were swapped into rupees by way of principal only swaps. The coupon on the borrowing was hedged through interest rate swap. The currency exposure on the interest on ECBs was not hedged.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
ECB raised / (repaid)	USD 747 Mn	USD 100 Mn	USD (100 Mn)

18 Subordinated liabilities - at amortised cost

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Subordinated Tier II non convertible debentures	10,900.00	10,900.00	7,250.00
Perpetual debt instruments	4,750.00	5,750.00	5,750.00
Sub Total	15,650.00	16,650.00	13,000.00
Less : Unamortised borrowing cost	(60.94)	(70.97)	(35.05)
Less : Fair value impact of hedged risk component (interest rate risk)	(107.29)	(230.66)	(280.17)
Total Subordinated liabilities (A)	15,481.77	16,348.37	12,684.78
Subordinated liabilities in India	15,481.77	16,348.37	12,684.78
Subordinated liabilities outside India	-	-	-
Total (B) to tally with (A)	15,481.77	16,348.37	12,684.78

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18 Subordinated liabilities - at amortised cost (continued)

18.1 Terms of borrowings and repayment as at 31 March 2025

Particulars	0 - 1 year	1-3 years	3-5 years	> 5 years	Total
Subordinated liabilities					
Subordinated debts					
8.01% - 9.00%	-	998.91	-	3,742.14	4,741.05
9.01% - 10.00%	999.77	-	4,366.55	745.54	6,111.86
Total	999.77	998.91	4,366.55	4,487.68	10,852.91
Perpetual debt instruments					
8.01% - 9.00%	-	499.27	-	2,987.89	3,487.16
9.01% - 10.00%	-	-	749.03	-	749.03
10.01% - 11.00%	499.96	-	-	-	499.96
Total	499.96	499.27	749.03	2,987.89	4,736.15
Total subordinated liabilities	1,499.73	1,498.18	5,115.58	7,475.57	15,589.06

The above table does not include unrealised gain of ₹ 80.80 million on fair valuation of subordinated debts designated at FVTPL and unrealised gain of ₹ 26.49 million on fair valuation of perpetual debt instruments designated at FVTPL.

Terms of borrowings and repayment as at 31 March 2024

Particulars	0 - 1 year	1-3 years	3-5 years	> 5 years	Total
Subordinated liabilities					
Subordinated debts					
8.01% - 9.00%	-	-	998.57	3,741.38	4,739.95
9.01% - 10.00%	-	999.37	-	5,105.66	6,105.03
Total	-	999.37	998.57	8,847.04	10,844.98
Perpetual debt instruments					
8.01% - 9.00%	-	-	499.03	2,986.79	3,485.82
9.01% - 10.00%	-	-	748.78	-	748.78
10.01% - 11.00%	499.82	499.74	-	-	999.56
11.01% - 12.00%	499.89	-	-	-	499.89
Total	999.71	499.74	1,247.81	2,986.79	5,734.05
Total subordinated liabilities	999.71	1,499.11	2,246.38	11,833.83	16,579.03

The above table does not include unrealised gain of ₹ 165.55 million on fair valuation of subordinated debts designated at FVTPL and unrealised gain of ₹ 65.12 million on fair valuation of perpetual debt instruments designated at FVTPL.

Terms of borrowings and repayment as at 31 March 2023

Particulars	0 - 1 year	1-3 years	3-5 years	> 5 years	Total
Subordinated liabilities					
Subordinated debts					
8.01% - 9.00%	-	-	998.25	3,740.67	4,738.93
9.01% - 10.00%	-	998.87	-	1,495.27	2,494.13
Total	-	998.87	998.25	5,235.94	7,233.06
Perpetual debt instruments					
8.01% - 9.00%	-	-	498.82	2,985.78	3,484.60
9.01% - 10.00%	-	-	-	748.55	748.55
10.01% - 11.00%	-	999.15	-	-	999.15
11.01% - 12.00%	-	499.59	-	-	499.59
Total	-	1,498.74	498.82	3,734.33	5,731.89
Total subordinated liabilities	-	2,497.61	1,497.07	8,970.27	12,964.95

The above table does not include unrealised gain of ₹ 200.27 million on fair valuation of subordinated debts designated at FVTPL and unrealised gain of ₹ 79.90 Mn on fair valuation of perpetual debt instruments designated at FVTPL.

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18 Subordinated liabilities - at amortised cost (continued)

All subordinated liabilities are unsecured and have bullet repayment on maturity date.

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Perpetual debt instrument qualifies as Tier I capital under RBI guidelines	4,750.00	3,565.65	2,009.71
Outstanding Subordinated debt *	10,772.12	10,679.43	7,032.79
% of book value of the subordinated debt is considered as Tier II capital for the purpose of the capital adequacy computation based on balance term to maturity	77%	80%	89%

* These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI guidelines for assessing capital adequacy

19 Other financial liabilities

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowing	2,747.64	2,224.23	1,781.52
Credit Support Annexure (CSA) margin received	337.24	71.58	-
Instalments on education loans received in advance (including interest received in advance)	40.86	26.77	23.55
Lease liabilities	645.88	359.01	168.07
Payable to assignment partners	34.60	-	-
Others	35.48	28.67	25.23
Total	3,841.70	2,710.26	1,998.37

19.1 Leases:

In accordance with the Ind AS 116 on "Leases", the following disclosures in respect of operating leases are made:

The Company has acquired its office premises on operating lease basis for periods ranging from 1 year to 9 years.

The Company has recognised lease liabilities and right to use assets as follows:

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
I. Lease liabilities			
Opening balance	359.01	168.07	111.67
Add: Lease liabilities recognised during the year	472.76	281.97	109.60
Less: Lease liabilities written off during the year	(82.34)	(15.08)	(6.63)
Add: Interest accrued on lease liabilities	45.21	22.79	10.62
Less: Lease payments	(148.76)	(98.74)	(57.19)
Closing balance of lease liabilities	645.88	359.01	168.07
II. Right of use assets (RoU assets)			
Opening balance	337.13	156.92	105.37
Add: RoU assets recognised during the year	479.68	284.94	110.14
Less: RoU assets written off during the year	(72.96)	(14.93)	(6.48)
Less: Depreciation on RoU assets	(134.99)	(89.80)	(52.11)
Closing balance of RoU assets	608.86	337.13	156.92

Lease liabilities and lease cash flows

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Maturity analysis- contractual undiscounted cash flows			
Less than one year	173.40	119.52	76.13
One to five years	544.01	285.73	115.23
More than five years	84.51	26.49	0.16
Total undiscounted lease liabilities	801.92	431.73	191.52
Lease liabilities included in the financial statements	645.88	359.01	168.07

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19 Other financial liabilities (continued)

Amount recognised in statement of profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities charged to finance cost	45.21	22.79	10.62
Depreciation charge for the year on RoU assets	134.99	89.80	52.11
Expense relating to short-term leases	15.72	10.27	6.98
Total	195.92	122.86	69.71

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash out flow on account of lease payments	164.48	109.01	64.16

20 Current tax liability (net)

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Provision for income tax (Net of advance tax)	88.89	-	50.68
Total	88.89	-	50.68

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Provision for tax	5,061.71	-	1,074.42
Advance tax	(4,972.82)	-	(1,023.74)
Provision for income tax (Net of advance tax)	88.89	-	50.68

21 Provisions

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits			
- Gratuity	84.91	48.42	36.65
- Compensated absences	8.73	4.89	3.82
	93.64	53.31	40.47
Provision for expected credit loss on undisbursed commitment	68.56	65.67	34.46
	68.56	65.67	34.46
Total	162.20	118.98	74.93

22 Other non financial liabilities

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Origination fees received in advance*	367.85	502.70	278.18
Statutory dues	268.79	427.03	56.34
Employee benefit payable	343.92	253.71	148.60
Total	980.56	1,183.44	483.12

*This amount pertains to front end origination fees which is currently not forming integral part of the financial assets - loans and not getting amortized as per effective interest rate method.

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23 Share capital

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Authorised			
Equity shares of ₹ 10 each	3,000.00	3,000.00	2,000.00
Total	3,000.00	3,000.00	2,000.00
Issued, subscribed and fully paid up			
Equity shares of ₹ 10 each	2,187.88	1,791.69	1,478.00
Total	2,187.88	1,791.69	1,478.00

23.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number	₹ in million	Number	₹ in million
Equity shares				
At the beginning of the year	17,91,69,225	1,791.69	14,77,99,725	1,478.00
Issued during the year against Rights Issue	1,36,50,331	136.50	1,02,71,460	102.71
Issued during the year against Preferential issue	2,59,68,159	259.69	1,91,28,540	191.28
Issued during the year against ESOP-22 scheme	-	-	19,69,500	19.70
At the end of the year	21,87,87,715	2,187.88	17,91,69,225	1,791.69
Issued and subscribed share capital	21,87,87,715	2,187.88	17,91,69,225	1,791.69

Particulars	As at 31 March 2023	
	Number	₹ in million
Equity shares		
At the beginning of the year	13,17,98,226	1,317.98
Issued during the year against Rights Issue	1,60,01,499	160.02
At the end of the year	14,77,99,725	1,478.00
Issued and subscribed share capital	14,77,99,725	1,478.00

Year ended 31 March 2025

During the year, the Company has issued:

- 2,20,10,272 equity shares of ₹ 10/- each at a premium of ₹ 671.50/- per share pursuant to a preferential issue on 28 June 2024 to Shinhan Bank Co. Ltd.
- 1,36,50,331 equity shares of ₹ 10/- each at a premium of ₹ 671.50/- per share pursuant to rights issue on 24 July 2024.
- 39,57,887 equity shares of ₹ 10/- each at a premium of ₹ 671.50/- per share pursuant to a preferential issue on 14 October 2024 to HDFC Life Insurance Company Limited.

Year ended 31 March 2024

The Company had allotted 10,271,460 equity shares of face value ₹ 10 each to HDFC Bank Limited [erstwhile Housing Development Finance Corporation Limited ("HDFC Limited")], amounting to ₹ 70,00.00 Mn on 29 June 2023, including premium of ₹ 671.50 per share, pursuant to a rights issue.

The Company has on 06 March 2024 allotted 19,69,500 equity shares of the face value of ₹ 10 each to the eligible employees of the Company under ESOP-2022 scheme, as amended from time to time.

The Company had allotted 1,53,02,832 equity shares to Kopvoorn B.V. ("EQT Group") and 34,69,507 equity shares to Moss Investments Limited, 1,98,144 equity shares to Defati Investments Holding B.V., 1,58,057 equity shares to Infinity Partners ("Chrys Capital Group") amounting to ₹ 13,036.10 Million on 20 March 2024, including premium of ₹ 671.50 per share, pursuant to a preferential issue.

Year ended 31 March 2023

The Company has issued 61,58,267 equity shares of ₹ 10 per share at a premium of ₹ 477.15 per share amounting to ₹ 30,00.00 Million on 14 November 2022 and 98,43,232 equity shares of ₹ 10 per share at a premium of ₹ 497.96 per share amounting to ₹ 49,99.97 Million on 29 March 2023 to Housing Development Finance Corporation Limited pursuant to two rights issues.

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23 Share capital (continued)

23.2 Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number	% shareholding	Number	% shareholding
Equity shares held by				
Kopvoorn B.V.	13,99,36,441	63.96%	12,90,16,176	72.01%
Moss Investments Limited	3,17,26,838	14.50%	2,92,50,961	16.33%
Shinhan Bank Co. Limited	2,20,10,272	10.06%	-	-
HDFC Bank Limited*	1,78,99,005	8.18%	1,78,99,005	9.99%
Total	21,15,72,556	96.70%	17,61,66,142	98.33%

* including the shares held by nominee shareholders on behalf of HDFC Bank Limited

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at 31 March 2023	
	Number	% shareholding
Equity shares held by		
HDFC Bank Limited *	14,77,99,725	100.00%
Total	14,77,99,725	100.00%

* including the shares held by nominee shareholders on behalf of HDFC Bank Limited

23.3 Details of shareholding of promoters are given below:

As at 31 March 2025

Sr. No.	Promoter name	No. of shares	% of total shares	% Change during the year
i.	Kopvoorn B.V.	13,99,36,441	63.96%	-8.05%
Total		13,99,36,441	63.96%	-8.05%

As at 31 March 2024

Sr. No.	Promoter name	No. of shares	% of total shares	% Change during the year
i.	HDFC Bank Limited* (upto 18 March 2024)	1,78,99,005	9.99%	-90.01%
Total		1,78,99,005	9.99%	-90.01%

* including the shares held by nominee shareholders on behalf of HDFC Bank Limited

As at 31 March 2023

Sr. No.	Promoter name	No. of shares	% of total shares	% Change during the year
i.	HDFC Bank Limited*	14,77,99,725	100.00%	Nil
Total		14,77,99,725	100.00%	Nil

* including the shares held by nominee shareholders on behalf of HDFC Bank Limited

23.4 Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any shares pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding five financial years.

The equity shares issued and allotted rank pari passu with the existing equity shares of the Company in all respect.

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24 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Capital reserve	10.95	10.95	10.95
Securities premium	59,198.49	32,602.05	12,163.60
Statutory reserve	5,269.62	3,289.70	2,231.97
Retained earnings	20,419.04	12,499.37	8,264.92
Employee stock options reserve	129.41	27.81	117.16
Impairment reserve	164.11	164.11	127.64
Other comprehensive income			
- Remeasurement of the defined benefit plans	(19.72)	(10.78)	(6.64)
- Effective portion of cash flow hedges	(546.23)	51.12	-
- Fair value of investments	131.51	7.62	(36.68)
Total	84,757.18	48,641.95	22,872.92

24.1 Nature of reserves

Capital reserve: It was created on account of non convertible debentures issue cost which were transferred to securities premium account during the financial year 2016-17.

Securities premium : Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of redeemable preference shares or debentures, write-off of expenses on issue of equity shares or any other purpose defined in the Act.

Statutory reserve: It has been created in terms of Section 45-IC (1) of the Reserve Bank of India Act, 1931 ("RBI Act") and the Company transfers at least 20% of its net profits every year to this reserve before any dividend is declared.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to shareholders.

Employee stock options reserve: The Company has employee stock options scheme under which the eligible employees and key management personnel are granted stock options. Stock options granted are measured at fair value on the grant date using Black-Scholes model and amortised over the vesting period as employees share based payments expenses with corresponding credit in employee stock options reserve.

Impairment reserve: In terms of RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 (as amended), Company has created impairment reserve. This reserve represents the difference where impairment allowance under Ind AS 109 is lower than the provisioning required under income recognition, asset classification and provisioning ("IRACP") norms issued by RBI.

Other comprehensive income:-

Remeasurement of the defined benefit plans: It represents the gain/ (loss) on account of actuarial valuation of defined benefit obligation.

Effective portion of cash flow hedges: It represents the cumulative gains/(losses) arising on revaluation of the hedging instruments and hedged item designated as cash flow hedges through OCI.

Fair value of investments: The Company recognises changes in the fair value of its investments in debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

Reconciliation of movements in cash flow hedge:

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Risk category			
Derivative instruments			
Cash flow hedging reserve			
Opening Balance	51.12	-	(29.09)
Add: Revaluation of external commercial borrowings	-		
Add: Changes in fair value of interest rate swaps	(360.14)	94.42	(371.89)
Add: Changes in fair value of principal only swaps*	(438.12)	-26.10	410.86
Less: Income tax relating to above (net)	200.91	(17.20)	(9.88)
Closing Balance	(546.23)	51.12	-

* Changes in fair value of principal only swaps also include realised gain/(loss) on rollover of principal only swap deals.	160.50	-	90.53
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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

25 Interest income

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost			
Interest on education loans	41,655.75	25,353.55	13,013.99
Interest on fixed deposits with banks	1,744.65	390.25	6.29
Other interest income	27.71	3.32	-
Sub total	43,428.11	25,747.12	13,020.28
On financial assets measured at fair value through other comprehensive income			
Interest income from investments	1,237.96	462.79	138.12
Total	44,666.07	26,209.91	13,158.40

Interest income on Stage 3 assets is recognised on the net carrying value (the gross carrying value as reduced by the impairment loss allowance). Accordingly the total interest income is net of such interest on credit impaired assets.

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest Income on credit impaired assets	21.31	3.89	1.44

26 Fees and commission income

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Nature of income			
Commission	1,810.07	1,013.67	223.60
Origination fees	334.31	149.54	54.20
Other fees	41.37	26.08	14.49
Total	2,185.75	1,189.29	292.29
Geographical markets			
India	2,185.75	1,189.29	292.29
Outside India	-	-	-
Total	2,185.75	1,189.29	292.29
Timing of recognition of revenue			
Performance obligation satisfied at a point in time	2,185.75	1,189.29	292.29
Performance obligation satisfied over a period of time	-	-	-
Total	2,185.75	1,189.29	292.29

27 Net gain on fair value changes

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain/(loss) on financial instruments at fair value through profit or loss			
- Investments	274.84	290.41	96.70
Net gain/(loss) on financial instruments designated at fair value through profit or loss			
- Derivatives	5.31	20.78	(25.65)
Profit/(Loss) on sale of investment reclassified from OCI	(0.50)	-	-
Total	279.65	311.19	71.05
Fair value changes :			
- Realised	268.72	293.24	98.31
- Unrealised	10.93	17.95	(27.26)
Total	279.65	311.19	71.05

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28 Finance costs

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
On Financial liabilities measured at amortised cost			
Interest on			
- Debt securities	4,409.44	3,326.19	2,241.52
- Borrowing (other than debt securities)	22,838.68	12,544.84	4,936.89
- Subordinated liabilities	1,548.66	1,386.43	925.08
- Lease liabilities	45.21	22.79	10.62
Other charges	92.44	29.98	18.66
Total	28,934.43	17,310.23	8,132.77

29 Employee benefit expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and bonus	1,344.21	975.45	700.98
Employees share based payments expenses	101.60	410.60	117.16
Contribution to provident fund	51.10	37.11	23.84
Gratuity	31.68	12.23	8.56
Compensated absences	5.36	2.62	2.46
Staff welfare expenses	45.46	31.37	21.39
Total	1,579.41	1,469.38	874.39

30 Other expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisements and publicity	162.06	99.15	21.28
Computer expenses	344.71	179.54	87.57
Outsourcing charges	379.45	289.88	187.78
Legal and professional charges	397.33	364.74	130.56
Auditor's fees and expenses (refer note 30.1)	12.48	6.24	3.73
Communication costs	23.14	15.21	12.10
Travelling and conveyance	48.11	37.10	20.09
Printing and stationery	3.70	4.76	4.80
Electricity expenses	14.63	9.80	8.70
Rent	15.72	10.27	6.98
Repairs and maintenance	36.96	22.27	14.02
Rates and taxes	7.90	9.92	15.00
Directors' sitting fees and commission	28.20	11.50	10.70
Directors' liability insurance	0.27	0.72	0.11
Loss on property, plant and equipment sold or discarded	0.63	1.01	0.01
Corporate social responsibility expenses (refer note 30.2)	91.09	58.41	44.01
Other expenditure	214.30	114.60	76.17
Total	1,780.67	1,235.12	643.61

30.1 Payments to auditors

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Audit fees	6.50	3.00	1.80
Internal control over financial reporting fees	0.70	0.50	0.30
Limited reviews	3.63	1.88	1.12
Other matters and certification	1.33	0.62	0.38
Reimbursement of expenses	0.32	0.24	0.13
Total	12.48	6.24	3.73

Auditor's remuneration above is excluding Goods and service tax.

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(All amounts in INR Millions, unless otherwise stated)

30.2 Expenditure incurred for corporate social responsibility

a. Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Gross amount required to be spent by the Company during the year	90.39	57.37	43.74

b. The details of amounts spent towards corporate social responsibility are as under:

Particulars	For the year ended 31 March 2025	
	Amount spent	Amount unpaid / provision
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	91.09	-

Particulars	For the year ended 31 March 2024	
	Amount spent	Amount unpaid / provision
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	58.41	-

Particulars	For the year ended 31 March 2023	
	Amount spent	Amount unpaid / provision
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	44.01	-

c. Additional disclosures in respect of corporate social responsibility

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Shortfall at the end of the year	Nil	Nil	Nil
Total of previous years shortfall	Nil	Nil	Nil
Reason for shortfall	Not applicable	Not applicable	Not applicable
Amount paid to related party	Nil	Nil	Nil

d. Nature of CSR activities

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Eradicating hunger, poverty and promoting education	-	3.50	3.01
Girl child empowerment	3.50	2.80	4.61
Promoting education	53.66	22.60	17.66
Promoting health care	22.00	18.41	17.44
Promoting special education and health among the differently abled	7.00	4.03	-
Water, Sanitation and Hygiene (WASH)	-	4.67	-
Administrative overheads	3.47	2.00	0.87
Impact assessment	1.46	0.40	0.42
Total	91.09	58.41	44.01

31 Impairment on financial instruments

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost			
Loans (including ECL on undisbursed commitment)	1,366.38	483.44	98.97
Loans written off	70.34	14.41	2.08
Trade receivables and other advances	28.70	-	-
Total	1,465.42	497.85	101.05

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32 Employee benefit expenses

As required by Ind AS 19 - "Employee Benefits", the following disclosures have been made :

1 Defined contribution plans

The Company makes provident fund contribution which is defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of salaries to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2 Defined benefit plan

The Company has an obligation towards gratuity, a funded defined benefit plan covering certain eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months (FY 2022-23 and FY 2023-24 : subject to limit of ₹ 2 millions). Vesting occurs upon completion of five year of service.

a Characteristics of the defined benefit plan -

The benefits are governed by the Payment of Gratuity Act, 1972 or Company scheme rules, whichever is higher. The key features of the Type of plan - Post employment benefit

Benefits offered - $15/26 \times \text{salary} \times \text{duration of service}$

Salary definition - Last drawn basic salary including dearness allowance (if any)

Benefit ceiling - Benefit ceiling of ₹ 2 million was not applied

Vesting conditions - 5 years of continuous service (not applicable in case of death/disability)

Benefit eligibility - Upon death or resignation / withdrawal or retirement

Retirement age - 58 years

b Risks associated with defined benefit plan -

i. Actuarial risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the estimated salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than estimated mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the estimated salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than estimated withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

ii. Investment risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

iii. Liquidity risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cashflows.

iv. Market risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

v. Legislative risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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32 Employee benefit expenses (continued)

c Details of Company's funded post-retirement benefit plan for its employees are given below which is certified by the actuary :

	Gratuity for the year ended		
	31 March 2025	31 March 2024	31 March 2023
I Components of employer expense			
1 Current service cost	14.23	9.40	6.31
2 Net interest cost	13.77	2.83	2.25
3 Expected return on plan assets	3.68	-	-
4 Actuarial loss/(gain)	-	-	-
5 Losses/(gains) on curtailments & settlement	-	-	-
6 Total expense recognised in the statement of profit and loss	31.68	12.23	8.56

	Gratuity		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
II Net liability recognised in the balance sheet			
1 Present value of defined benefit obligation	88.88	53.18	39.36
2 Fair value of plan assets	(3.97)	(4.76)	(2.71)
3 Unrecognised past service cost	-	-	-
4 Net liability recognised in the balance sheet	84.91	48.42	36.65
- Short-term provisions	20.78	10.66	7.74
- Long-term provisions	64.13	37.76	28.91

	Gratuity		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
III Changes in defined benefit obligation			
1 Present value of defined benefit obligation as at the beginning of the year	53.18	39.36	32.76
2 Current service cost	14.23	9.40	6.31
3 Interest cost	4.22	3.13	2.41
4 Actuarial loss/(gain)	11.58	5.44	3.10
5 Prior year charges	13.77	-	-
6 Benefits paid	(8.10)	(4.14)	(5.22)
7 Present value of defined benefit obligation as at the end of the year	88.88	53.18	39.36

	Gratuity		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
IV Reconciliation of Liability			
1 Opening net liability	48.42	36.65	31.24
2 Expenses recognised	31.68	12.23	8.56
3 Other comprehensive income	11.91	5.54	3.15
4 Benefits paid	-	-	-
5 Contribution to plan assets	(7.10)	(6.00)	(6.30)
6 Amount recognised in the balance sheet under provision for employee benefits	84.91	48.42	36.65
- Short-term provisions	20.78	10.66	7.74
- Long-term provisions	64.13	37.76	28.91

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(All amounts in INR Millions, unless otherwise stated)

32 Employee benefit expenses (continued)

	As at 31 March 2025	Gratuity As at 31 March 2024	As at 31 March 2023
V Reconciliation of Plan Assets			
1 Opening value of plan assets	4.76	2.71	1.53
2 Expenses incurred in the fund	-	-	-
3 Expected return	0.54	0.29	0.16
4 Actuarial gains\ (losses)	(0.33)	(0.10)	(0.05)
5 Contribution by employer	7.10	6.00	6.30
6 Benefits paid	(8.10)	(4.14)	(5.23)
7 Closing value of plan assets	3.97	4.76	2.71

	As at 31 March 2025	Gratuity As at 31 March 2024	As at 31 March 2023
VI Actual return on Plan Assets			
1 Expected return on plan assets	0.54	0.29	0.16
2 Actuarial gain on plan assets	(0.33)	(0.10)	(0.05)
3 Actual return on plan assets	-	-	-

	31 March 2025	Gratuity for the year ended 31 March 2024	31 March 2023
VII Actuarial assumptions			
1 Discount rate	6.80%	7.20%	7.35%
2 Return on plan assets	6.80%	7.20%	7.35%
3 Attrition rate	15.00%	15.00%	15.00%
4 Salary escalation rate	10.00%	7.00%	7.00%
5 Mortality rate	Indian Assured Lives Mortality (2012-14) Table		

VIII Sensitivity analysis for actuarial assumptions

Sensitivity to key assumptions

	31 March 2025	for the year ended 31 March 2024	31 March 2023
Discount rate sensitivity			
Increase by 0.5%	86.08	51.84	38.35
(% change)	(3.15%)	(2.52%)	(2.55%)
Decrease by 0.5%	91.84	54.59	40.41
(% change)	3.33%	2.64%	2.68%
Salary growth rate sensitivity			
Increase by 0.5%	91.74	54.22	40.17
(% change)	3.21%	1.96%	2.07%
Decrease by 0.5%	86.15	52.17	38.53
(% change)	(3.07%)	(1.91%)	(2.10%)
Withdrawal rate (W.R.) Sensitivity			
W.R. x 110%	86.54	53.11	39.36
(% change)	(2.63%)	(0.12%)	(0.01%)
W.R. x 90%	91.48	53.18	39.31
(% change)	2.93%	0.00%	0.13%

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32 Employee benefit expenses (continued)

A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

IX The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discount rate is based on the prevailing market yields of Government Securities as at the balance sheet date for the estimated term of the obligations.

X Experience adjustments:

Gratuity

	As at 31 March 2025 ₹	As at 31 March 2024 ₹	As at 31 March 2023 ₹
1 Present value of defined benefit obligation	88.88	53.18	39.36
2 Present value of defined benefit assets	(3.97)	(4.76)	(2.71)
3 Experience adjustment on plan liabilities	2.66	5.05	4.35
4 Experience adjustment on plan assets	(0.33)	(0.10)	(0.05)
5 Unrecognised past service cost	-	-	-
6 (Excess)/short of obligation over plan assets	84.91	48.42	36.65

The Company expects to contribute approximately ₹ 20.78 million for FY 2024-25 ₹ 10.66 million for FY 2023-24, ₹ 7.74 million for FY 2022-23 to the gratuity fund.

	As at 31 March 2025	Gratuity As at 31 March 2024	As at 31 March 2023
XI Investment pattern			
Policy of insurance*	82%	64%	100%
Bank balance	18%	36%	0%
Total	100%	100%	100%

* Components of investment by the insurance company are:

	As at 31 March 2025	Gratuity As at 31 March 2024	As at 31 March 2023
Government Securities	11.57%	43.52%	46.93%
Corporate bonds -			
AAA	43.64%	33.11%	34.45%
AA+	38.51%	16.81%	13.94%
AA	2.33%	0.61%	1.98%
Cash, deposits, MMI	3.95%	5.95%	2.70%
Total	100.00%	100.00%	100.00%

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33 Income taxes

33.1 Income tax recognised in profit or loss

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax			
In respect of the current year	3,275.07	1,851.17	1,058.64
In respect of prior years	-	(31.47)	4.58
Total current tax	3,275.07	1,819.70	1,063.22
Deferred tax			
In respect of the current year	85.06	(24.42)	(120.40)
Total income tax expense recognised in the current year relating to continuing operations	3,360.13	1,795.28	942.82

33.2 Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Restated Profit before Tax	13,259.71	7,083.67	3,702.07
(ii) Income tax expense calculated at 25.168% on (i) above	3,337.20	1,782.82	931.74
(iii) Effect of expenses that are not deductible in determining taxable profit	22.92	14.70	11.08
(iv) Adjustments in respect of current income tax of prior years	-	(31.47)	4.58
(v) Others	-	29.23	(4.58)
(vi) Income tax expense recognised in statement of profit and loss [(ii) + (iii) + (iv) + (v)]	3,360.12	1,795.28	942.82
(vii) Effective tax rate [(vi) / (i)]	25.34%	25.34%	25.47%

The tax rate used for the reconciliations above is the corporate tax rate of 25.168% payable by the corporate entities in India on taxable profits under tax law in Indian jurisdiction.

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34 Earnings per share ("EPS")

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

In accordance with the Ind AS 33 - "Earnings Per Share", following disclosures are made:

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Restated Net profit after tax (₹ in millions)	9,899.58	5,288.39	2,759.25
Weighted average number of equity shares for calculating basic earnings per share	20,70,92,407	15,63,40,555	13,42,07,460
Face value of equity shares	10.00	10.00	10.00
Basic earnings per share	47.80	33.83	20.56
Restated Net profit after tax for diluted EPS (₹ in millions)	9,899.58	5,288.39	2,759.25
Weighted average number of equity shares for calculating diluted earnings per share	20,75,61,475	15,64,36,615	13,48,02,909
Face value of equity shares	10.00	10.00	10.00
Diluted earnings per share	47.69	33.81	20.47

34 Earnings per share ("EPS") (continued)

Weighted average number of shares outstanding during the current year for diluted earnings per share:

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Weighted average number of shares of ₹ 10 each outstanding during the year – for calculating basic earnings per share	20,70,92,407	15,63,40,555	13,42,07,460
Add: Diluted effect of outstanding stock options	4,69,068	96,060	5,95,449
Weighted average number of shares of ₹ 10 each outstanding during the year – for calculating diluted earnings per share	20,75,61,475	15,64,36,615	13,48,02,909

The reconciliation between basic and diluted earnings per share is as follows:

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic earnings per share	47.80	33.83	20.56
Dilution effect of outstanding stock options	(0.11)	(0.02)	(0.09)
Diluted earnings per share	47.69	33.81	20.47

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35 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled, based on the prepayment and refinance assumptions approved by the Asset Liability Management Committee of the Company.

	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	26,666.27	-	26,666.27	14,710.90	-	14,710.90
Bank balance other than (a) above	13,366.02	13.13	13,379.15	6,526.09	2.92	6,529.01
Derivative financial instruments	398.23	351.25	749.48	193.80	94.42	288.22
Trade receivables	219.94	-	219.94	203.65	-	203.65
Loans	57,866.32	3,56,826.76	4,14,693.08	38,965.83	2,41,866.33	2,80,832.16
Investments	23,781.35	-	23,781.35	5,323.32	5,930.19	11,253.51
Other financial assets	338.75	126.15	464.90	58.06	498.26	556.32
Non-financial assets						
Current tax asset	-	0.02	0.02	-	36.21	36.21
Deferred tax assets (net)	-	267.74	267.74	-	300.82	300.82
Property, plant and equipment	-	770.22	770.22	-	409.66	409.66
Other intangible assets	-	324.12	324.12	-	16.17	16.17
Capital work in progress	-	36.41	36.41	-	45.20	45.20
Intangible assets under development	-	157.51	157.51	-	304.34	304.34
Other non-financial assets	430.12	4.73	434.85	173.52	-	173.52
Total assets	1,23,067.00	3,58,878.04	4,81,945.04	66,155.17	2,49,504.52	3,15,659.69
Liabilities						
Financial liabilities						
Derivative financial instruments	15.00	686.42	701.42	70.64	550.00	620.64
Trade payables	-	-	-	-	-	-
(i) Total outstanding dues of creditors micro enterprises and small enterprises	2.99	-	2.99	2.57	-	2.57
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	521.18	10.90	532.08	261.89	-	261.89
Debt securities	24,370.53	34,992.51	59,363.04	17,338.20	24,669.20	42,007.40
Borrowings (other than debt securities)	72,101.89	2,41,743.44	3,13,845.33	42,236.37	1,59,736.13	2,01,972.50
Subordinated liabilities	1,491.84	13,989.93	15,481.77	999.71	15,348.66	16,348.37
Other financial liabilities	3,319.01	522.69	3,841.70	2,371.07	339.19	2,710.26
Non-financial liabilities						
Current tax liability	88.89	-	88.89	-	-	-
Provisions	22.02	140.18	162.20	11.10	107.88	118.98
Other non-financial liabilities	980.56	-	980.56	1,183.44	-	1,183.44
Total liabilities	1,02,913.91	2,92,086.07	3,94,999.98	64,474.99	2,00,751.06	2,65,226.05
Net	20,153.09	66,791.97	86,945.06	1,680.18	48,753.46	50,433.64

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

35 Maturity analysis of assets and liabilities (continued)

	As at 31 March 2023		
	Within 12 months	After 12 months	Total
Assets			
Financial assets			
Cash and cash equivalents	4,173.48	-	4,173.48
Bank balance other than (a) above	1,007.17	-	1,007.17
Derivative financial instruments	164.78	-	164.78
Trade receivables	14.38	-	14.38
Loans	25,718.54	1,26,670.47	1,52,389.01
Investments	4,776.58	1,143.32	5,919.90
Other financial assets	7.55	21.07	28.62
Non-financial assets			
Current tax asset	-	22.81	22.81
Deferred tax assets (net)	-	313.73	313.73
Property, plant and equipment	-	223.20	223.20
Other intangible assets	-	0.16	0.16
Intangible assets under development	-	113.81	113.81
Other non-financial assets	89.38	-	89.38
Total assets	35,951.86	1,28,508.57	1,64,460.43
Liabilities			
Financial liabilities			
Derivative financial instruments	-	744.01	744.01
Trade payables			
(i) Total outstanding dues of creditors micro enterprises and small enterprises	1.86	-	1.86
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	204.33	-	204.33
Debt securities	4,697.98	30,542.09	35,240.07
Borrowings (other than debt securities)	9,755.66	78,871.70	88,627.36
Subordinated liabilities	-	12,684.78	12,684.78
Other financial liabilities	1,894.54	103.83	1,998.37
Non-financial liabilities			
Current tax liability	50.68	-	50.68
Provisions	8.39	66.54	74.93
Other non-financial liabilities	334.52	148.60	483.12
Total liabilities	16,947.96	1,23,161.55	1,40,109.51
Net	19,003.90	5,347.02	24,350.92

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

36 Change in liabilities arising from financing activities

36.1 For the year ended 31 March 2025

Particulars	31 March 2024	Cash flows	Fair Value Impact	Forex Impact	Others*	31 March 2025
Debt securities	42,007.40	15,657.60	261.58	-	1,436.46	59,363.04
Borrowings other than debt securities	2,01,972.50	1,10,314.05	-	1,128.68	430.10	3,13,845.33
Subordinated Liabilities	16,348.37	(1,000.00)	123.37	-	10.03	15,481.77
Total liabilities from financing activities	2,60,328.27	1,24,971.65	384.95	1,128.68	1,876.59	3,88,690.14

36.2 For the year ended 31 March 2024

Particulars	31 March 2023	Cash flows	Fair Value Impact	Forex Impact	Others*	31 March 2024
Debt securities	35,240.07	6,019.53	85.55	-	662.25	42,007.40
Borrowings other than debt securities	88,627.36	1,13,162.39	-	48.50	134.25	2,01,972.50
Subordinated Liabilities	12,684.78	3,608.39	49.51	-	5.69	16,348.37
Total liabilities from financing activities	1,36,552.21	1,22,790.31	135.06	48.50	802.19	2,60,328.27

36.3 For the year ended 31 March 2023

Particulars	31 March 2022	Cash flows	Fair Value Impact	Forex Impact	Others*	31 March 2023
Debt securities	21,017.78	13,936.31	19.80	-	266.18	35,240.07
Borrowings other than debt securities	48,153.80	40,842.17	-	(434.30)	65.69	88,627.36
Subordinated Liabilities	5,978.76	6,725.68	(22.46)	-	2.80	12,684.78
Total liabilities from financing activities	75,150.34	61,504.16	(2.66)	(434.30)	334.67	1,36,552.21

*Others column includes discount on commercial paper and amortisation of initial issue cost as per Ind AS.

Refer Note 19.1. for movement in lease liability.

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37 Related party disclosures

As per Ind AS 24 - "Related Party Disclosures", following disclosure are made:

37.1 Details of related parties

1 Holding Company

Kopvoorn B.V. (w.e.f. 19 March 2024)
HDFC Bank Limited (w.e.f. 01 July 2023 to 18 March 2024)
HDFC Limited (Up to 30 June 2023)

2 Fellow subsidiaries with whom transactions have taken place during the reporting period

HDFC ERGO General Insurance Company Limited (up to 18 March 2024)
HDFC Life Insurance Company Limited (up to 18 March 2024)
HDFC Sales Private Limited (up to 18 March 2024)

3 Associates of Holding Company

HDFC Bank Limited (up to 30 June 2023)
HDFC Securities Limited (up to 30 June 2023)

4 Key Management Personnel

Mr. Damodarannair Sundaram, Chairman and Non-executive Independent Director (w.e.f. 20 March 2024)
Mr. V. Srinivasa Rangan, Chairman (up to 20 March 2024); Non-Executive Director (w.e.f. 20 March 2024)
Mr. Ashish Agrawal, Non-Executive Director (w.e.f. 20 March 2024)
Mr. Jimmy Mahtani, Non-Executive Director (w.e.f. 20 March 2024)
Mr. Rajnish Kumar, Non-Executive Director (w.e.f. 20 March 2024)
Mr. Abhijit Sen, Non-executive Independent Director (w.e.f. 20 March 2024)
Mr. Bharat Shah, Non-executive Independent Director (w.e.f. 20 March 2024)
Ms. Anuranjita Kumar, Non-executive Independent Director (w.e.f. 20 March 2024)
Mr. Seung Hyo Han, Non-executive Director (w.e.f. 28 June 2024)
Mr. Satish Kumar Pillai, Non-executive Director (w.e.f. 28 June 2024)
Mr. Ankit Singhal, Non-executive Director (w.e.f. 12 November 2024)
Mr. Sanjay Kukreja, Non-Executive Director (w.e.f. 20 March 2024 till 11 November 2024)
Mr. Kosmas Kalliarekos, Non-Executive Director (w.e.f. 20 March 2024 till 28 June 2024)

Mr. Biswamohan Mahapatra, Independent Director (up to 20 March 2024)
Mr. Sunil Shah, Independent Director (up to 20 March 2024)
Ms. Madhumita Ganguli, Non- Executive Director (up to 20 March 2024)
Mr. Rajesh Gupta, Independent Director (up to 20 March 2024)
Mr. Subodh Salunke, Non Executive Vice Chairman (upto 28 June 2022)

Mr. Arijit Sanyal, Managing Director and Chief Executive Officer
Mr. Manjeet Bijlani, Chief Financial Officer
Ms. Karishma Jhaveri, Company Secretary (w.e.f. 17 September 2024)
Ms. Akanksha Kandoi, Company Secretary (upto 24 June 2024)

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

37 Related party disclosures (continued)

37.2 The related party transactions of the Company are summarised below:

Relationship and Name of Related Parties	Nature of Transaction	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Holding Company				
HDFC Bank Limited (e-HDFC Ltd.)	Rent expenses	-	37.81	24.65
HDFC Bank Limited (e-HDFC Ltd.)	Technology support charges	-	2.53	2.62
HDFC Bank Limited (e-HDFC Ltd.)	Reimbursement of GST expenses on brand usage	-	1.64	9.34
HDFC Bank Limited (e-HDFC Ltd.)	Commission income for sourcing fixed deposits	-	1.56	7.79
HDFC Bank Limited (e-HDFC Ltd.)	Staff expenses of employees on deputation	-	0.23	14.48
HDFC Bank Limited (e-HDFC Ltd.)	Reimbursement of other expenses	-	0.07	0.05
HDFC Bank Limited (e-HDFC Ltd.)	Equity Infusion	-	7,000.00	8,000.00
HDFC Bank Limited	Interest on term loans	-	1,668.80	-
HDFC Bank Limited	Commission on sourcing of education loans	-	364.10	196.75
HDFC Bank Limited	Loan processing fees	-	196.00	-
HDFC Bank Limited	Interest on term deposits	-	69.47	3.01
HDFC Bank Limited	Reimbursement/Others	-	27.31	-
HDFC Bank Limited	License fees for use of corporate logo	-	24.77	-
HDFC Bank Limited	Bank charges	-	0.39	0.90
HDFC Bank Limited	Forex Transactions	-	-	242.37
Kopvoorn B.V.	Reimbursement/Others	-	39.53	-
Kopvoorn B.V.	Equity Infusion	7,442.16	10,429.00	-
Fellow subsidiary				
HDFC Life Insurance Company Limited	Commission income for sourcing insurance	-	414.33	31.21
HDFC Life Insurance Company Limited	Contribution to group gratuity policy	-	4.50	6.29
HDFC Life Insurance Company Limited	Employees' group term insurance premium	-	0.24	1.62
HDFC Ergo General Insurance Company	Commission income for sourcing insurance	-	3.76	-
HDFC Ergo General Insurance Company	Employees' health insurance premium	-	6.49	3.50
HDFC Ergo General Insurance Company	Directors' liability insurance premium	-	0.81	0.11
HDFC Ergo General Insurance Company	Cyber Security Insurance	-	-	2.50
HDFC Sales Private Limited	Commission on sourcing of education loans	-	31.86	33.67
Directors				
Mr. Damodarannair Sundaram	Sitting fees	2.50	0.10	-
Mr. V. Srinivasa Rangan	Sitting fees	-	1.00	3.00
Mr. Abhijit Sen	Sitting fees	2.40	0.10	-
Mr. Bharat Shah	Sitting fees	1.60	0.10	-
Ms. Anuranjita Kumar	Sitting fees	1.80	0.10	-
Mr. Satish Kumar Pillai	Sitting fees	1.00	-	-
Mr. Rajesh Gupta	Sitting fees	-	2.10	1.10
Mr. Subodh Salunke	Sitting fees	-	-	0.50
Mr. Sunil Shah	Sitting fees	-	2.80	2.10
Mr. Rajnish Kumar	Sitting fees	1.40	0.10	-
Mr. B. Mahapatra	Sitting fees	-	3.00	2.60
Ms. Madhumita Ganguli	Sitting fees	-	2.10	1.40
Mr. B. Mahapatra	Commission ^{\$}	1.50	-	1.00
Mr. Sunil Shah	Commission ^{\$}	1.50	-	1.00
Mr. Rajesh Gupta	Commission ^{\$}	1.50	-	1.00

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

37 Related party disclosures (continued)

Relationship and Name of Related Parties	Nature of Transaction	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Key Managerial Personnels				
Mr. Arijit Sanyal	Remuneration ^	115.32	217.38	68.83
Mr. Manjeet Bijlani	Remuneration ^	24.29	27.21	20.54
Mrs. Akanksha Kandoi	Remuneration ^	3.90	10.44	8.28
Mrs. Karishma Jhaveri	Remuneration ^	4.75	-	-

\$ Commission paid in financial year 2024-25 pertains to financial year 2023-24

^ Includes employee related share based payment charged to statement of profit and loss over the vesting period in accordance with Ind AS 102

HDFC Limited was our erstwhile holding company until June 30, 2023. Pursuant to the composite scheme of arrangement among HDFC Investments Limited, HDFC Holdings Limited, HDFC Limited, HDFC Bank Limited and each of their respective shareholders and creditors under Sections 230 to 232 other applicable provisions of the Companies Act, 2013, as approved by the National Company Law Tribunal, Mumbai Bench on March 17, 2023, HDFC Limited amalgamated with HDFC Bank Limited on July 1, 2023 and the Equity Shares held by HDFC Limited were transferred to and vested with HDFC Bank Limited. HDFC Bank was our holding company with effect from July 1, 2023 until March 19, 2024 when HDFC Bank sold its 90.01% stake to an investor consortium of EQT and Chrys Capital.

37.3 Balance Outstanding at the end of year

Relationship and Name of Related Parties	Nature of Transaction	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Holding Company				
HDFC Bank Limited (e-HDFC Ltd.)	Reimbursement of GST on brand usage payable	-	-	2.19
HDFC Bank Limited (e-HDFC Ltd.)	Commission receivable for sourcing fixed deposits	-	-	0.99
HDFC Bank Limited	Balance in current accounts	-	-	107.90
HDFC Bank Limited	Commission payable on sourcing of education loans	-	-	56.51
HDFC Bank Limited	Interest accrued on deposits	-	-	0.50
HDFC Bank Limited	Deposits held	-	-	714.12
Kopvoorn B.V.	Reimbursement of expenses receivable	-	0.22	-
Fellow subsidiary				
HDFC Life Insurance Company Limited	Commission receivable for sourcing insurance	-	-	3.18
HDFC Life Insurance Company Limited	Security deposit placed	-	-	0.20
HDFC Life Insurance Company Limited	Employee group term insurance premium (prepaid expense)	-	-	1.27
HDFC Ergo General Insurance Company Limited	Advance employees' insurance premium	-	-	0.13
HDFC Ergo General Insurance Company Limited	Employee health insurance premium (prepaid expense)	-	-	0.38
HDFC Ergo General Insurance Company Limited	Directors' liability insurance premium (prepaid expense)	-	-	0.10
HDFC Ergo General Insurance Company Limited	Cyber security insurance premium (prepaid expense)	-	-	2.45
HDFC Sales Private Limited	Commission payable on sourcing of education loans	-	-	1.44
Associate of Holding Company				
HDFC Securities Limited	Commission payable on sourcing of education loans			0.21
Directors				
Mr. Bharat Shah	Sitting fees payable to Directors	0.90	-	-
Mr. Damodarannair Sundaram	Sitting fees payable to Directors	0.90	-	-
Mr. Abhijit Sen	Sitting fees payable to Directors	0.90	-	-
Mr. B. Mahapatra	Commission payable to Directors	-	-	1.00
Mr. Sunil Shah	Commission payable to Directors	-	-	1.00
Mr. Rajesh Gupta	Commission payable to Directors	-	-	1.00

Notes: 1. There were no guarantees given or security provided during the year to the related parties.

2. All aforesaid transactions are in ordinary course of business and at arm's length basis.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

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38 Financial Instruments

38.1 Capital management

The company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the minimum capital adequacy requirements stipulated by the Reserve Bank of India (RBI) for NBFCs. The Company is required to maintain minimum capital adequacy ratio of 15% and minimum Tier I capital of 10%.

The Company's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market among others.

The Company endeavours to maintain its Capital to Risk Assets Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

Capital to risk assets ratio (CRAR)	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
CRAR (%)	21.81	20.45	20.42
CRAR - Tier I capital (%)	19.7	16.60	14.60
CRAR - Tier II capital (%)	2.11	3.85	5.82

The Company has complied in full with all its externally imposed capital requirements over the reporting period.

The Company had conducted an Annual ICAAP exercise as part of RBI's Scale Based Regulatory framework for NBFCs (Non- Banking Finance Companies). The Company has a Board approved ICAAP policy and framework in place, that was used for assessment of existing capital adequacy and future capital requirements based on business growth and risks encompassing credit risk, market risk, operational risk, reputation risk, strategic risk and other material risks. The inaugural ICAAP document of the Company was published in July 2023, laying the foundation for a more structured capital planning process aligned with the risk profile of the Company.

The second ICAAP exercise of the Company was completed and the updated ICAAP document was duly approved by RMC and Board in August 2024.

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38.2 Categories of financial instruments

Particulars	As at 31 March 2025			As at 31 March 2024		
	FVTPL	FVOCI / Cash Flow Hedge Reserve	Amortised cost	FVTPL	FVOCI / Cash Flow Hedge Reserve	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	26,666.27	-	-	14,710.90
Bank balances other than cash and cash equivalents	-	-	13,379.15	-	-	6,529.01
Derivative financial assets	137.36	612.12	-	145.00	143.22	-
Trade receivables	-	-	219.94	-	-	203.65
Loans	-	-	4,14,693.08	-	-	2,80,832.16
Investments	2,077.15	21,704.20	-	250.13	11,003.38	-
Other financial assets	-	-	464.90	-	-	556.32
Total financial assets	2,214.51	22,316.32	4,55,423.34	395.13	11,146.61	3,02,832.03
Financial liabilities						
Derivative financial liabilities	187.80	513.62	-	588.18	32.46	-
Trade payables	-	-	535.07	-	-	264.46
Debt securities*	-	-	59,363.04	-	-	42,007.40
Borrowings (other than debt securities)	-	-	3,13,845.33	-	-	2,01,972.50
Subordinated liabilities*	-	-	15,481.77	-	-	16,348.37
Other financial liabilities	-	-	3,841.70	-	-	2,710.26
Total financial liabilities	187.80	513.62	3,93,066.90	588.18	32.46	2,63,302.99

Particulars	As at 31 March 2023		
	FVTPL	FVOCI / Cash Flow Hedge Reserve	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	4,173.48
Bank balances other than cash and cash equivalents	-	-	1,007.17
Derivative financial assets	164.78	-	-
Trade receivables	-	-	14.38
Loans	-	-	1,52,389.01
Investments	2,016.26	3,903.64	-
Other financial assets	-	-	28.62
Total financial assets	2,181.04	3,903.64	1,57,612.66
Financial liabilities			
Derivative financial liabilities	744.01	-	-
Trade payables	-	-	206.20
Debt securities*	-	-	35,240.07
Borrowings (other than debt securities)	-	-	88,627.35
Subordinated liabilities*	-	-	12,684.78
Other financial liabilities	-	-	1,998.37
Total financial liabilities	744.01	-	1,38,756.77

* Above tables include below mentioned Debt Securities and Subordinated Liabilities which are fair valued to the extent of hedge risk component (interest rate risk) :-

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Debt Securities	10,418.93	13,154.19	13,064.72
Subordinated Liabilities	5,136.18	5,010.70	4,959.13

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38.2.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 31 March 2025				
Financial assets				
<i>Financial Investments at FVTPL</i>				
Mutual Funds	2,077.15	-	-	2,077.15
<i>Financial Investments at FVOCI</i>				
Government Securities	21,704.20	-	-	21,704.20
<i>Derivatives designated as fair value hedges</i>				
Interest Rate Swaps - INR		137.36		137.36
<i>Derivatives designated as cash flow hedges</i>				
Interest Rate Swaps - INR OIS	-	37.75	-	37.75
Currency swaps - Principal Only swaps	-	574.37	-	574.37
Total financial assets	23,781.35	749.48	-	24,530.83
Financial liabilities				
Secured Non-Convertible Debentures - fair valued hedge risk component (Interest rate risk)	-	10,418.93	-	10,418.93
Subordinated Liabilities - fair valued hedge risk component (Interest rate risk)	-	5,136.18	-	5,136.18
<i>Derivatives designated as fair value hedges</i>				
Interest Rate Swaps - INR OIS	-	187.80	-	187.80
<i>Derivatives designated as cash flow hedges</i>				
Interest Rate Swaps - USD IRS	-	249.81	-	249.81
Interest Rate Swaps - INR OIS	-	263.81	-	263.81
Total financial liabilities	-	16,256.53	-	16,256.53

As at 31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial Investments at FVTPL</i>				
Mutual Funds	250.13	-	-	250.13
<i>Financial Investments at FVOCI</i>				
Government Securities	11,003.38	-	-	11,003.38
<i>Derivatives designated as fair value hedges</i>				
Interest Rate Swaps - INR OIS	-	145.00	-	145.00
<i>Derivatives designated as cash flow hedges</i>				
Interest Rate Swaps - USD IRS	-	120.82	-	120.82
Currency swaps - Principal Only swaps	-	22.40	-	22.40
Total financial assets	11,253.51	288.22	-	11,541.73
Financial liabilities				
Secured Non-Convertible Debentures - fair valued hedge risk component (Interest rate risk)	-	13,154.19	-	13,154.19
Subordinated Liabilities - fair valued hedge risk component (Interest rate risk)	-	5,010.70	-	5,010.70
<i>Derivatives designated as fair value hedges</i>				
Interest Rate Swaps - INR OIS	-	588.18	-	588.18
<i>Derivatives designated as cash flow hedges</i>				
Currency swaps - Principal Only swaps	-	32.46	-	32.46
Total financial liabilities	-	18,785.53	-	18,785.53

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38.2.1 Fair value hierarchy (continued)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 31 March 2023				
Financial assets				
<i>Financial Investments at FVTPL</i>				
Mutual Funds	2,016.26	-	-	2,016.26
<i>Financial Investments at FVOCI</i>				
Government Securities	3,903.64	-	-	3,903.64
<i>Derivatives designated as fair value hedges</i>				
Interest Rate Swaps	-	164.78	-	164.78
<i>Derivatives designated as cash flow hedges</i>				
Currency swaps - Principal Only swaps	-	-	-	-
Total financial assets	5,919.90	164.78	-	6,084.68
Financial liabilities				
Secured Non-Convertible Debentures - fair valued hedge risk component (Interest rate risk)	-	13,064.72	-	13,064.72
Subordinated Liabilities - fair valued hedge risk component (Interest rate risk)	-	4,959.13	-	4,959.13
<i>Derivatives designated as fair value hedges</i>				
Interest Rate Swaps - INR OIS	-	744.01	-	744.01
<i>Derivatives designated as cash flow hedges</i>				
Interest rate swaps - USD IRS	-	-	-	-
Total financial liabilities	-	18,767.86	-	18,767.86

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes units of mutual funds (open ended).

Level 2: The fair value of financial instruments that are not traded in an active market for example, derivative instruments is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There has been no transfers between level 1, level 2 and level 3 for the year ended 31 March 2025, 31 March 2024, 31 March 2023.

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38.2.2 Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method using the closing curves available on the market terminals as at the end of reporting period.

The Company measures financial instruments, such as investments at fair value.

i. Investment in mutual funds

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

ii. Investment in Government securities

The fair values of investments in government securities is based on the closing value of the security as at Balance Sheet date.

iii. Borrowings, debt securities and derivatives

The fair value of the Company's borrowings including debt securities are calculated based on a discounted cash flow model. The discount factor used for fair valuation is derived using a combination of interpolated risk-free interest rates and credit-spreads of the of the company as on the valuation date. Input data used to carry out the fair valuation covers portfolio data and expected future cashflows for each product in the portfolio.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

38.2.3 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements.

Particulars	As at 31 March 2025			As at 31 March 2024		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
Financial liabilities at amortised cost						
Non convertible debentures	41,230.20	42,022.87	Level 2	31,157.22	31,048.76	Level 2
Perpetual debt instruments	4,924.34	5,078.24	Level 2	5,797.24	5,832.69	Level 2
Subordinated liabilities	11,353.27	11,390.11	Level 2	10,981.68	11,060.54	Level 2
Total financial liabilities	57,507.81	58,491.22		47,936.14	47,941.99	

Particulars	As at 31 March 2023		
	Carrying Value	Fair Value	Fair Value Hierarchy
Financial liabilities at amortised cost			
Non convertible debentures	33,123.89	32,783.21	Level 2
Perpetual debt instruments	5,779.50	5,789.85	Level 2
Subordinated liabilities	7,256.41	7,190.51	Level 2
Total financial liabilities	46,159.80	45,763.57	

- Note:** The fair value of the financial liabilities are considered at the amount, at which the instrument could be exchanged in current transaction between willing parties, other than in forced or liquidation sale. Carrying value includes interest accrued as on year end.

- Loans:**

Substantially all loans reprice frequently, with interest rates reflecting current market pricing, the carrying value of these loans approximates their fair value.

- Other financial assets and liabilities**

With respect to bank balances and cash and cash equivalents (Refer note 4 and 5), trade receivables (Refer note 7), other financial assets (Refer note 10), trade payables (Refer note 15), and other financial liabilities (Refer note 19), the carrying value approximates the fair value.

Commercial paper (refer note 16) being short term in nature, its carrying value approximates fair value.

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38.3 Financial risk management

The Company has to manage various risks associated with the lending business. These risks include credit risk, liquidity risk, foreign exchange risk, interest rate risk and counterparty risk.

The Liquidity Risk Management Framework and Financial Risk Management Policy as approved by the Board of Directors sets limits for foreign exchange exposures and other parameters. The Company manages its interest rate and currency risk in accordance with the guidelines prescribed therein. Liquidity risks are managed through a combination of strategies like managing liability tenors in line with the maturity of assets and adequate liquidity cover in the form of High Quality Liquid Assets (HQLAs), is maintained in line with the RBI's Liquidity Risk Management Framework.

Interest rate risks are managed by entering into interest rate swaps. The foreign exchange risk on the borrowings is actively managed mainly through principal only swaps. Counterparty risk is reviewed periodically to ensure that exposure to various counterparties is well diversified and is within the limits fixed by the Derivative Committee.

As a part of Asset Liability Management, the Company has entered into interest rate swaps, wherein it has converted a portion of its fixed rate rupee liabilities into floating rate linked to market benchmarks.

38.3.1 Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile, the underwriting criteria, the credit approval process and limits and the deviations and associated approval matrix. The Company has a structured and standardized credit approval process, which includes an established procedure for credit appraisal, loan disbursal, collection and recovery.

The Company monitors its credit risk at a portfolio level. Different segments of the portfolio (sub-portfolio) is taken to understand significant deviation of credit risk to the sub-portfolio level which may not be apparent at the total portfolio analysis level. These sub-portfolios based on the perceived risks that may impact only a few category of customer. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

38.3.1.1 Education Loans

Our customers for retail loans are low, middle and high-income, salaried and self-employed individuals. The Company's credit officers evaluate credit proposals based on parameters as detailed in the credit policy. Such parameters typically include factors such as the student academic and entrance scores, country / university / college / course of study, future earning potential of the student, co-borrower's income & obligations, the loan-to-value ratio (where applicable) and demographic parameters subject to regulatory guidelines. Deviations are approved as per the matrix detailed in the credit policy.

The various process controls such as PAN check, credit bureau report analysis, bank statement analysis, personal discussion with the borrower and co-borrowers, fraud check (through subscription to industry database), AML database scrubbing among the others are undertaken prior to approval of a loan. In addition visits to workplace/ business locations and residences for applicant and co-borrower provides a comprehensive due-diligence for the proposed loan.

The Company analyses the portfolio performance of each product segment regularly, and use these as inputs in revising our product programs, target market definitions and credit assessment criteria to meet our twin objectives of combining volume growth and maintenance of asset quality. The Company secures the loan through collaterals depending upon the loan amount, country of study, etc. as per the product group matrix.

Analysis of risk concentration

Since the Company provides only retail education loans, there is not significant concentration risk at the borrower / counterparty level. Counterparty risk is reviewed periodically to ensure that exposure to various counterparties is well diversified and is within the limits fixed by the Derivative Committee.

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38.3.1.2 Risk management and portfolio review

The Company reviews the portfolio regularly on various parameters to look at the trend in defaults and take necessary measures.

The credit team does multi level checks and ensure adherence to the terms of the credit policy prior to the commitment and disbursement of credit facilities. The central operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines.

The branch credit team/operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and life insurance policy which covers in case of death of student during the term of the loan.

The Risk Management team regularly reviews the credit quality of the portfolio and various sub-portfolios. The summary of such reviews are discussed with Credit and Collection for necessary action (where applicable) through regular interaction and communication.

38.3.1.3 Collateral and other credit enhancements

Based on the Board approved credit policy, the Company provides fully secured, partially secured and unsecured education loans to individuals. The parameters relating to acceptability and valuation of each type of collateral are a part of the Credit Policy of the Company. The Company obtains collateral in the form of mortgages over immovable properties and fixed deposits, wherever applicable. The Company does not have any credit enhancement arrangement.

In case of delinquent customers the Company has the right to repossess the collaterals pledged as security and liquidate the same to recover the amounts due against the outstanding loan. Any surplus funds after adjusting such outstanding dues are returned to the customers/obligors.

Disclosure of credit quality and the gross carrying value for credit risk and year end stage classification are further disclosed in note 8.1.

Financial assets received as collaterals

Company has received financial assets as collaterals that it is permitted to adjust in the event of default. The details of the financial assets received as collaterals are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Financial assets accepted as collaterals			
Fixed deposits	2,964.88	2,144.71	1,479.38

Offsetting financial assets and liabilities

The following table presents the recognised financial instruments that are offset and other similar agreements but are not offset.

The column "maximum exposure" shows the impact of the Company's balance sheet if all the offset rights are exercised.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Gross amounts of loans	4,17,096.39	2,81,871.98	1,52,976.60
Gross amounts set off in the balance sheet	-	-	-
Net amounts of loans presented in the balance sheet - financial collateral	4,17,096.39	2,81,871.98	1,52,976.60
Netting potential not recognised in the balance sheet (financial collateral)	2,964.88	2,144.71	1,479.38
Maximum exposure	4,14,131.51	2,79,727.27	1,51,497.22

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38.3.2 Market risk

It is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

38.3.2.1 Interest rate risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest risk which the company faces. It arises because of maturity and re-pricing mismatches of assets and liabilities.

The Company's core business is providing education loans. The Company raises money from diversified sources like market borrowings, term loans and foreign currency borrowings amongst others to finance its core lending activity. In view of the financial nature of the assets and liabilities of the Company, changes in market interest rates can adversely affect its financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and re-pricing of various sources of borrowings. External factors include macro economic developments, competitive pressures, market conditions, regulatory developments and global factors. The rise or fall in interest rates impact the Company's net interest income depending on whether the balance sheet is asset sensitive or liability sensitive. Company enters into Interest Rate Swaps to convert its fixed rate rupee liabilities into floating rate linked to market benchmarks.

The Company uses traditional gap analysis report to determine the Company's vulnerability to movements in interest rates. The Gap is the difference between Rate Sensitive Assets ("RSA") and Rate Sensitive Liabilities ("RSL") for each time bucket. It indicates whether the Company is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rates by a negative gap (RSL > RSA). The Company also fixes tolerance limits for the same under the Liquidity Risk Management Framework ("LRMF"), Asset Liability Management ("ALM") & Financial Risk Management ("FRM") Policy.

(1) Interest rate sensitivity

The break-up of the Company's assets and borrowings into variable rate and fixed rate at the end of the reporting periods are as below:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Fixed Rate Instruments			
Loans	2,886.77	5,778.07	5,226.27
Borrowings including debt securities and subordinated liabilities	(1,30,793.51)	(48,420.52)	(29,901.01)
Floating Rate Instruments			
Loans	4,14,209.62	2,76,093.92	1,47,750.33
Borrowings including debt securities and subordinated liabilities	(2,57,895.96)	(2,11,907.74)	(1,06,651.20)

Fair value sensitivity analysis of fixed-rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss

Cash flow sensitivity analysis of variable-rate instruments

A reasonable possible change of 10 bps in interest rate at the reporting date would have increase (decrease) profit or loss (net of tax) by the amount shown below. This analysis assumes that all other variables remains constant.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow sensitivity analysis of variable-rate instruments			
Decrease by 10 bps	(116.97)	(48.03)	(30.76)
Increase by 10 bps	116.97	48.03	30.76

This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

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38.3.2.2 Foreign currency exchange rate risk

The Company has availed external commercial borrowing of USD 847 millions as on 31 March 2025 and hence the Company was exposed to foreign currency exchange risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency i.e. INR. The objective of the hedges was to minimize the volatility of the INR cash flows. The Company's risk management policy allows it to keep the foreign currency risk open upto 5% of the total borrowings.

The Company currently uses currency swaps to hedge its exposure in foreign currency risk. The Company designates the fair value of the currency swaps contracts as hedging instruments. In case the hedge effectiveness is 100%, the change in the fair value of the currency swaps contracts and the change in carrying value of the underlying foreign currency liability are compared and the difference is recognised in cash flow hedge reserve. During the year ended 31 March 2025, the Company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

(1) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting year expressed in INR, are as follows

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	Exposure in USD		
Financial liabilities			
Foreign currency loan	72,388.86	8,340.50	-
Interest accrued on foreign currency loan	609.50	121.02	-
Exposure to foreign currency risk liabilities (a)	72,998.35	8,461.52	-
Derivative financial instruments			
Foreign exchange derivative contracts	72,388.86	8,340.50	-
Exposure to foreign currency risk assets - (b)	72,388.86	8,340.50	-
Net exposure to foreign currency risk (c) = (a) - (b)	609.50	121.02	-

(2) Foreign currency sensitivity analysis:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange swap contracts designated as cash flow hedges.

Particulars	Impact on profit after tax		
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
USD sensitivity			
INR/USD - increase by 1%*	-	-	-
INR/USD - decrease by 1%*	-	-	-

* Assuming all other variable is constant

Particulars	Impact on other components of equity		
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
USD sensitivity			
INR/USD - increase by 1%*	(4.38)	0.22	-
INR/USD - decrease by 1%*	4.38	(0.22)	-

* Assuming all other variable is constant

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38.3.2.2 Foreign currency exchange rate risk (continued)

(3) Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item and so a qualitative and quantitative assessment of effectiveness is performed. Economic relationship between the hedged item and the hedging instrument is being assessed at the end of the reporting period by performing the hedge effectiveness testing.

A. Cash flow hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging instrument

Particulars	Notional amount	Carrying amount	Line item in the statement of financial position	Weighted average contract / strike price of the hedging instrument	Change in fair value used for measuring ineffectiveness for the year - profit / (loss)
As at 31 March 2025					
INR USD - Principal only swaps	72,388.86	310.56	Derivative financial instrument	8.41	690.57
INR USD - Interest rate swap	72,388.86	(212.06)		-	(360.14)
Total	1,44,777.72	98.50		8.41	330.43
As at 31 March 2024					
INR USD - Principal only swaps	8,340.50	(10.06)	Derivative financial instrument	82.92	22.40
INR USD - Interest rate swap	8,340.50	120.82		-	94.42
Total	16,681.00	110.76		82.92	116.82
As at 31 March 2023					
INR USD - Principal only swaps	-	-	Derivative financial instrument	-	(281.36)
INR USD - Interest rate swap	-	-		-	(23.45)
Total	-	-		-	(304.81)

Hedged Item

Change in the value of hedged item used as the basis for recognising hedge ineffectiveness - profit / (loss) for the year ended			
	31 March 2025	31 March 2024	31 March 2023
External commercial borrowings	(1,128.69)	(48.50)	434.30
Total	(1,128.69)	(48.50)	434.30

Cash flow hedge reserve as at			
	31 March 2025	31 March 2024	31 March 2023
External commercial borrowings	(1,177.19)	(48.50)	-
Total	(1,177.19)	(48.50)	-

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38.3.2.2 Foreign currency exchange rate risk (continued)

The impact of the cashflow hedges in the statement of profit and loss and other comprehensive income:

Particulars	Hedging gains or (losses) recognised in OCI		Hedging ineffectiveness recognised in statement of profit and loss		Line item in the statement of profit or loss that includes hedge ineffectiveness
	for the year ended 31 March 2025	for the year ended 31 March 2024	for the year ended 31 March 2025	for the year ended 31 March 2024	
External Commercial Borrowings and related derivatives (Principal Only Swap and USD-INR Interest rate swap)	(798.26)	68.32	-	-	Not applicable

Particulars	Hedging gains or (losses) recognised in OCI	Hedging ineffectiveness recognised in statement of profit and loss	Line item in the statement of profit or loss that includes hedge ineffectiveness
	for the year ended 31 March 2023	for the year ended 31 March 2023	
External Commercial Borrowings and related derivatives (Principal Only Swap and USD-INR Interest rate swap)	38.90	-	Not applicable

B. Fair value hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging instrument

Particulars	Notional amount	Carrying amount - Asset/ (Liability)	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the year
Interest rate swap as at				
31 March 2025	15,750.00	(50.45)	Derivative	392.73
31 March 2024	18,750.00	(443.18)	Financial	136.06
31 March 2023	18,750.00	(579.23)	Instruments	(149.97)

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38.3.2.2 Foreign currency exchange rate risk (continued)

Hedged item

Particulars	Notional amount	Accumulated fair value adjustment - Asset/ (Liability)	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the year
Non-convertible debentures as at				
31 March 2025	15,750.00	178.39	Debt securities and	(384.95)
31 March 2024	18,750.00	563.34	Subordinated	(135.06)
31 March 2023	18,750.00	698.41	liabilities	2.66

The impact of the fair value hedges in the statement of profit and loss:

	Hedging ineffectiveness recognised in statement of profit and loss - profit/(loss)			Line item in the statement of profit or loss
	for the year ended			
	31 March 2025	31 March 2024	31 March 2023	
Non-Convertible Debentures and related hedges (Interest Rate Swap)	7.78	0.99	(147.31)	Net gain on fair value changes

(4) Hedge ratio

The foreign exchange currency swap contracts are denominated in the same currency as the highly probable foreign currency cash flow on principal payments, therefore the hedge ratio is 1:1. The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged, and therefore the hedge ratio for interest rate swap is also 1:1.

38.3.2.3 Price risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds having insignificant price risk, not being equity funds/ high risk bearing instruments.

38.3.3 Liquidity risk

(1) Maturities of financial liabilities

Liquidity risk refers to the risk of not having enough liquid assets or adequate access to meet obligations when they become due, comply with regulatory requirements, or support the Company's investment needs. Moreover, the Company must maintain adequate liquidity to handle redemptions, unexpected disbursements, and operational expenses. The management sets standards to ensure sufficient liquidity for immediate needs. The Company's borrowing strategy is tailored to fluctuating liquidity conditions and evolving business requirements.

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Liquidity risks are managed through a combination of strategies like managing liability tenors in line with the maturity of assets and adequate liquidity cover in the form of High Quality Liquid Assets (HQLAs), is maintained in line with the RBI's Liquidity Risk Management Framework. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

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38.3.3 Liquidity risk (continued)

Liquidity risks are managed through Liquidity Risk Management Framework and Financial Risk Management Policy as approved by the Board of Directors. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Liquidity Risk Management Framework and Financial Risk Management Policy.

The table below presents the cash flow payable by the Company under financial liabilities by remaining maturities at the balance sheet date. The amount disclosed in the table are contractual undiscounted cash flows of all financial liabilities and the balances in the table below do not agree directly to the balances in the balance sheet as it incorporates all cash flows, on an undiscounted basis, related to both principal as well as the associated future coupon payments thereon.

Contractual maturities of financial liabilities as at 31 March 2025	Due in 1 year	Between 1 and 3 years	Between 3 and 5 years	Beyond 5 years	Total
Non-derivatives					
Trade payables	524.17	10.90	-	-	535.07
Debt securities and Subordinated liabilities	29,882.67	16,790.00	20,288.33	34,413.84	1,01,374.84
Borrowings (other than debt securities)	95,285.24	1,97,784.06	70,980.59	7,466.89	3,71,516.78
Other financial liabilities	3,319.02	268.00	181.98	72.71	3,841.71
Total non-derivatives liabilities	1,29,011.10	2,14,852.96	91,450.90	41,953.44	4,77,268.40
Derivatives (net settled)					
Currency swaps - principal only swaps	-	148.20	-	-	148.20
Interest rate swaps	15.15	308.50	139.73	-	463.38
Total derivatives liabilities	15.15	456.70	139.73	-	611.58

Contractual maturities of financial liabilities as at 31 March 2024	Due in 1 year	Between 1 and 3 years	Between 3 and 5 years	Beyond 5 years	Total
Non-derivatives					
Trade payables	264.45	-	-	-	264.45
Debt securities and Subordinated liabilities	22,775.98	8,107.62	15,085.76	36,185.98	82,155.34
Borrowings (other than debt securities)	58,291.37	1,16,512.52	57,980.26	14,123.64	2,46,907.79
Other financial liabilities	2,371.07	245.40	65.06	28.74	2,710.27
Total non-derivatives liabilities	83,702.87	1,24,865.54	73,131.08	50,338.36	3,32,037.85
Derivatives (net settled)					
Currency swaps - principal only swaps	32.46	-	-	-	32.46
Interest rate swaps	40.11	91.94	176.82	465.97	774.84
Total derivatives liabilities	72.57	91.94	176.82	465.97	807.30

Maturities of financial liabilities

Contractual maturities of financial liabilities as at 31 March 2023	Due in 1 year	Between 1 and 3 years	Between 3 and 5 years	Beyond 5 years	Total
Non-derivatives					
Trade payables	206.20	-	-	-	206.20
Debt securities and Subordinated liabilities	8,403.23	14,832.05	12,180.17	37,068.69	72,484.14
Borrowings (other than debt securities)	16,959.79	50,150.25	33,118.17	10,896.81	1,11,125.02
Other financial liabilities	1,894.54	79.29	24.38	0.16	1,998.37
Total non-derivatives liabilities	27,463.76	65,061.59	45,322.72	47,965.66	1,85,813.73
Derivatives (net settled)					
Currency swaps - principal only swaps	-	-	-	-	-
Interest rate swaps	-	154.72	346.20	523.89	1,024.81
Total derivatives liabilities	-	154.72	346.20	523.89	1,024.81

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39 Share-based payments

The shareholders at its Extraordinary General Meeting held on 26 December 2024 approved ESOP-2024 scheme with a total stock option of 73,49,458 towards an equal number of equity shares of face value ₹ 10 each of the Company.

The shareholders at its Extraordinary General Meeting held on 31 March 2022 approved ESOP-2022 scheme with a total stock option of 40,72,565 towards an equal number of equity shares of face value ₹ 10 each of the Company. The revised ESOP-2022 scheme has been approved by the shareholders at its Extraordinary General Meeting held on 18 April 2022 and at its Annual General Meeting 16 June 2023. During the financial year 2023-24, there was an acceleration of vesting due to the change in control of the Company resulting in vesting of the unvested options under ESOP-2022 scheme. The NRC at its meeting held on 29 February 2024 approved settlement of 11,99,041 surrendered options granted to the employees for a compensation of ₹ 297.1 Mn. Out of the balance 22,19,500 vested options, 19,69,500 options were exercised by the employees and equivalent shares were allotted on 6 March 2024.

The details of the stock options granted to employees pursuant to the Company's stock options schemes and stock options outstanding as on 31 March 2025 are as under:

39.1 Plan description

Plan Name	Credila Financial Services Limited Employee Stock Option Plan - 2024 [ESOP 2024]	HDFC Credila Employees Stock Option Plan 2022 [ESOP 2022]
Grant Date	26 December 2024	3 August 2022, 13 October 2022 and 17 April 2023
Vesting Conditions	Service along with Individual and company performance criteria linked to employee's grade at the time of grant.	Service only, with an option of performance rating.
Term of Options including vesting	1 - 5 years with an additional condition of completion of 3 years of service at the date of grant	1 - 2 years with an additional condition of completion of 3 years of service at the date of grant
Payout	Equity-settled	Equity-settled
Plan Period	2024 Onwards	2022 Onwards
Quantum of Options	73,49,458	40,72,565
Equivalent Number of shares of FV of ₹ 10 per share	73,49,458	40,72,565
Method of Accounting	Fair Value	Fair Value
Exercise Period	3 years from the date of vesting	5 Years from date of vesting
Grant / Exercise price (₹ Per share)	681.50	419.64 - 507.96
Value of Equity Shares as on date of Grant of Original Option (₹ Per share)	681.50	419.64 - 507.96

39.2 Method used for accounting for share based payment plan

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black-Scholes model for grants given. The fair value of the options determined at grant date is recognised as employee compensation cost over the vesting period on straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On acceleration of vesting, the balance amount of fair value of the options is recognised as employee compensation. On exercise of options, the balance in employee stock option reserve is transferred to retained earnings. On cancellation / settlement of options, any compensation paid is accounted as deduction from employee stock option reserve upto the fair value of options and any excess is recognised as an expense.

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39.3 Movement of Number of Options during the year

Particulars - ESOP-2022	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Outstanding at the start of the year	2,50,000	34,24,641	-
Granted during the year	-	2,08,050	35,61,491
Exercised during the year	-	(19,69,500)	-
Settled during the year	-	(11,99,041)	-
Lapsed/ cancelled during the year	-	(2,14,150)	(1,36,850)
Outstanding at the end of the year	2,50,000	2,50,000	34,24,641
Unvested at the end of the year	-	-	34,24,641
Exercisable at the end of the year	2,50,000	2,50,000	-

Particulars - ESOP-2024	For the year ended 31 March 2025
Outstanding at the start of the year	-
Granted during the year	61,65,381
Exercised during the year	-
Settled during the year	-
Lapsed/ cancelled during the year	(53,676)
Outstanding at the end of the year	61,11,705
Unvested at the end of the year	-
Exercisable at the end of the year	61,11,705

39.4 Weighted Average Exercise price

Weighted Average Exercise Price (₹) - ESOP 2022	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Outstanding at the start of the year	419.64	419.64	-
Granted during the year	-	507.96	419.64
Exercised during the year	-	419.64	-
Settled during the year	-	433.63	-
Lapsed/ cancelled during the year	-	427.15	419.64
Outstanding at the end of the year	419.64	419.64	419.64
Exercisable at the end of the year	419.64	419.64	NA
Weighted Average Share price at the exercise date	419.64	681.50	NA

Weighted Average Exercise Price (₹) - ESOP 2024	For the year ended 31 March 2025
Outstanding at the start of the year	-
Granted during the year	681.50
Exercised during the year	-
Settled during the year	-
Lapsed/ cancelled during the year	-
Outstanding at the end of the year	681.50
Exercisable at the end of the year	681.50
Weighted Average Share price at the exercise date	681.50

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39.5 Outstanding Options as on dates

Particulars - ESOP 2022	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Number of options outstanding	2,50,000	2,50,000	34,24,641
Weighted average strike price (₹)	419.64	419.64	419.64
Weighted average remaining lifetime of options (in years)	-	-	1.19
Number of employees covered under the scheme	1	1	365

Particulars - ESOP 2024	As at 31 March 2025
Number of options outstanding	61,11,705
Weighted average strike price (₹)	681.50
Weighted average remaining lifetime of options (in years)	2.32
Number of employees covered under the scheme	161

39.6 Options granted during year

Particulars - ESOP 2024	As at 31 March 2025
Number of options granted	61,65,381
Weighted average strike price (in ₹)	681.50
Weighted average remaining lifetime of options (in years)	3.70
Number of employees covered under the scheme	164
Weighted Average Fair value per option (in ₹)	183.25
Weighted Average Intrinsic value per option (in ₹)	-

39.7 Assumptions for Fair Value

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Weighted average share price (in ₹)	681.50	507.96	419.64
Weighted average strike price (in ₹)	681.50	507.96	419.64
Weighted average remaining lifetime of options (in years)	4.33	4.30	1.19
Expected volatility (% p.a.)	22% p.a.	21% p.a.	25% p.a.
Risk-free discount rate (% p.a.)	6.4% p.a. - 6.5% p.a.	6.7% p.a. - 6.8% p.a.	6.3% p.a. - 7.1% p.a.
Expected dividend yield (% p.a.)	-	-	-

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Employees share based payments expenses	101.60	410.60	117.16
Employee stock options reserve	129.41	27.81	117.16

Further, the Company has settled 11,99,041 surrendered options during the previous year, granted to the employees, which resulted in expense of ₹164.28 million (Refer note 29).

40 Segment reporting

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 requires disclosure.

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41 Disclosures pursuant to Reserve Bank of India Guidelines, to the extent applicable to the Company

The Company has prepared financial statements for the year ended 31 March 2025, in accordance with Ind AS. Accordingly, the relevant disclosures are based on the carrying values as reflected in the financial statements prepared as per requirements of Ind AS.

41.1 Capital to risk assets ratio (CRAR)

Items	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
CRAR (%)	21.81	20.45	20.42
CRAR - Tier I capital (%)	19.70	16.60	14.60
CRAR - Tier II capital (%)	2.11	3.85	5.82
Amount of subordinated debt raised as Tier-II capital	-	3,650.00	3,750.00
Amount raised by issue of Perpetual Debt Instrument	-	-	3,000.00
Percentage of the amount of PDI of the amount of its Tier I capital	5.21%	6.71%	7.80%

The CRAR has been computed in accordance with requirements of Annex II of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (as amended) (“RBI Master Directions”) i.e. “Regulatory Guidance on Implementation of Indian Accounting Standards by NBFCs” read with guidelines in Chapter IX of the RBI Master Directions.

41.2 Investments

Items	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
1 Value of investments			
i) Gross value of investments	23,781.35	11,253.51	5,919.90
a) In India	23,781.35	11,253.51	5,919.90
b) Outside India	-	-	-
ii) Provision for depreciation	-	-	-
a) In India	-	-	-
b) Outside India	-	-	-
iii) Net value of investments	23,781.35	11,253.51	5,919.90
a) In India	23,781.35	11,253.51	5,919.90
b) Outside India	-	-	-
2 Movement of provisions held towards depreciation on investments			
i) Opening balance	-	-	-
ii) Add : Provisions made during the year	-	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-	-
iv) Closing balance	-	-	-

41.3 Derivatives

41.3.1 Forward Rate Agreement / Interest Rate Swap

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(i) The notional principal of swap agreements*	1,60,527.72	35,431.00	18,750.00
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	797.02	50.79	76.34
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-	-
(iv) Concentration of credit risk arising from the swaps**	100%	100%	100%
(v) The fair value of the swap book	48.06	(332.42)	-

* Includes USD IRS - Notional of USD 847 millions converted at year end exchange rate as on 31 March 2025 and USD 100 millions as on 31 March 2024

** Concentration of credit risk arising from swap is with banks.

Benchmark	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	Terms
	Notional Principal (INR in Lakhs)			
OIS	15,750.00	18,750.00	18,750.00	Fixed Receivable V/s Floating
	Notional Principal (USD Millions)			
USD SOFR / LIBOR	84.70	100.00	-	Fixed Payable V/s Floating

41.3.2 Exchange Traded Interest Rate Derivatives

The Company has not entered into any exchange traded derivatives during the reporting periods.

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41.3.3 Disclosures on Risk Exposure in Derivatives

a. Qualitative Disclosure

Financial Risk Management

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

The Financial Risk Management Policy as approved by the Board sets limits for exposures on currency and other parameters. The Company manages its interest rate and currency risk in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. The currency risk on the borrowings is actively managed mainly through principal only swaps. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits fixed by the Derivative Committee.

As a part of management of interest rate risk, the Company has entered into interest rate swaps wherein it has converted a portion of its fixed rate rupee liabilities into floating rate linked to a benchmark.

Constituents of Derivative Business

Financial Risk Management of the Company constitutes the Audit Committee, Risk Management Committee, Asset Liability Committee ("ALCO") and Derivative Committee.

The Company periodically monitors various counter party risk and market risk limits, within the risk architecture and processes of the Company.

Hedging Policy

The Company has a Financial Risk Management policy approved by the Board of Directors. For derivative contracts designated as hedges, the Company documents at inception, the relationship between the hedging instrument and hedged item. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed by the Derivative Committee at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cashflows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument.

Measurement and Accounting

All derivative contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Gain / loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains / losses of effective portion of hedge instrument are offset against gain / losses of hedged items in other comprehensive income.

The Company has entered into fair value hedges like interest rate swaps on fixed rate rupee liabilities as a part of the Asset Liability management whereby a portion of the fixed rate liabilities are converted to floating rate. The Company has a mark to market loss of ₹ 381.21 million on outstanding fair value hedges.

The Company has entered into cashflow hedges to hedge currency risk and interest rate risk on certain foreign currency loans. Under the cashflow hedge, the hedging instrument is measured at fair value and any gain or loss that is determined to be an effective hedge is recognized in equity i.e., cash flow hedge reserve.

Movements in the cash flow hedge reserve are as follows (as per Ind AS financials):

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	51.12	-	(29.09)
(Credits) / debit in the cash flow hedge reserve	(597.35)	51.12	29.09
Closing balance	(546.23)	51.12	-

b. Quantitative disclosures

	Currency derivatives*		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(i) Derivatives (notional principal amount)	72,388.86	8,340.50	-
(ii) Marked to market positions			
a) Asset (+)	574.37	22.40	-
b) Liability (-)	(263.81)	(32.46)	-
(iii) Credit exposure	6,811.95	166.81	-
(iv) Unhedged exposures	609.50	121.02	-

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41.3.3 Disclosures on Risk Exposure in Derivatives (continued)

b. Quantitative disclosures (continued)

	Interest rate derivatives**		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(i) Derivatives (notional principal amount)	88,138.86	27,090.50	18,750.00
(ii) Marked to market positions			
a) Asset (+)	175.11	265.82	164.78
b) Liability (-)	(437.61)	(588.18)	(744.01)
(iii) Credit exposure	923.93	375.91	362.50
(iv) Unhedged exposures	-	-	-

* Currency Derivatives includes Principal Only swaps.

** Includes USD IRS - Notional of USD 847 Millions converted at year end exchange rate.

41.4 Disclosures relating to Securitisation

- The Company has not securitised any of its exposures during the reporting periods.
- The Company has neither purchased nor sold any non-performing financial assets during the reporting periods.
- Details of transfer through Direct Assignment in respect of loans (not in default)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Number of accounts	458	-	-
Amount of loans transferred through direct assignment	1,034.73	-	-
Retention of beneficial economic interest	10.00%	NA	NA
Weighted average residual maturity (in years)	12.15	NA	NA
Weighted average holding period (in years)	4.24	NA	NA
Aggregate consideration received	1,034.73	-	-
Coverage tangible security cover	100%	NA	NA
Rating wise distribution of rated loans	Unrated	NA	NA

* The tangible security cover is only on secured pool assigned. The unsecured pool is excluded while calculating tangible security cover.

41.5 Exposures

41.5.1 Exposure to real estate sector

The Company does not have any direct / indirect exposure to real estate as the primary purpose of the loan is for education.

41.5.2 The Company does not have any capital market exposure the reporting periods.

41.6 Details of Financing of Parent Company Products

There is no financing during the reporting periods.

41.7 The Company has not exceeded single borrower limit ("SGL") and nor has exceeded the group borrower limit ("GBL") during the reporting periods.

41.8 The Company has not given any loans against intangible securities during the reporting periods.

41.9 The Company is not registered under any other regulator other than Reserve Bank of India and Insurance Regulatory & Development Authority of India ("IRDAI").

Name of the Regulator	Type of registration	Registration number
Reserve Bank of India	Non Banking	N-13.01857
Insurance Regulatory & Development Authority of India	Corporate Agent	CA0093

41.10 During the reporting periods, no penalty has been levied by any regulator.

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41.11 Rating assigned by credit rating agencies and migration of rating during the year:

Rating agency	Programme	FY 2024-25*	FY 2023-24	FY 2022-23
CRISIL Limited	Bank loans	CRISIL AA+/ Stable	-	-
	Non-convertible debenture	CRISIL AA+/ Stable	CRISIL AA+/Stable	CRISIL AAA/Stable
	Subordinated debt	CRISIL AA+/ Stable	CRISIL AA+/Stable	CRISIL AAA/Stable
	Perpetual debt instrument	CRISIL AA/ Stable	CRISIL AA/Stable	CRISIL AAA/Stable
	Commercial paper	CRISIL A1+ / Stable	CRISIL A1+/Stable	CRISIL A1+/Stable
ICRA Limited	Bank loans	ICRA AA/ Stable	ICRA AA/Stable	ICRA AAA/Stable
	Non-convertible debenture	ICRA AA/ Stable	ICRA AA/Stable	ICRA AAA/Stable
	Subordinated debt	ICRA AA/ Stable	ICRA AA/Stable	ICRA AAA/Stable
	Perpetual debt instrument	ICRA AA-/ Stable	ICRA AA-/Stable	ICRA AA+/Stable
	Commercial paper	ICRA A1+ / Stable	ICRA A1+/Stable	ICRA A1+/Stable
CARE Ratings Limited	Bank Loans	CARE AA/ Stable	CARE AA/Stable	-
	Non-convertible debenture	CARE AA/ Stable	CARE AA/Stable	CARE AAA/Stable
	Subordinated debt	CARE AA/ Stable	CARE AA/Stable	CARE AAA/Stable
	Perpetual debt instrument	CARE AA-/ Stable	CARE AA-/Stable	CARE AAA/Stable

* There have been no migration of rating during the year ended 31 March 2025.

41.12 Remuneration of Directors

Details of remuneration given to non-executive directors are disclosed below:

Name	Designation	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Mr. V. Srinivasa Rangan	Chairman (up to 20 March 2024); Non-Executive Director (w.e.f. 20 March 2024)	-	1.00	3.00
Mr. Subodh Salunke	Vice Chairman (resigned w.e.f. 29 June 2022)	-	-	0.50
Mrs. Madhumita Ganguli	Non- Executive Director (up to 20 March 2024)	-	2.10	1.40
Mr. B. Mahapatra	Independent Director (up to 20 March 2024)	1.50	3.00	3.60
Mr. Sunil Shah	Independent Director (up to 20 March 2024)	1.50	2.80	3.10
Mr. Rajesh Gupta	Independent Director (up to 20 March 2024)	1.50	2.10	2.10
Mr. Damodarannair Sundaram	Independent Director - Chairman (w.e.f. 20 March 2024)	2.50	0.10	-
Mr. Ashish Agrawal	Non-Executive Director (w.e.f. 20 March 2024)	-	-	-
Mr. Jimmy Mahtani	Non-Executive Director (w.e.f. 20 March 2024)	-	-	-
Mr. Kosmas Kalliarekos	Non-Executive Director (w.e.f. 20 March 2024)	-	-	-
Mr. Rajnish Kumar	Non-Executive Director (w.e.f. 20 March 2024)	1.40	0.10	-
Mr. Sanjay Kukreja	Non-Executive Director (w.e.f. 20 March 2024)	-	-	-
Mr. Abhijit Sen	Independent Director (w.e.f. 20 March 2024)	2.40	0.10	-
Mr. Bharat Shah	Independent Director (w.e.f. 20 March 2024)	1.60	0.10	-
Ms. Anuranjita Kumar	Independent Director (w.e.f. 20 March 2024)	1.80	0.10	-
Mr. Satish Pillai	Non-Executive Director (w.e.f. 28 June 2024)	1.00	-	-
Total		15.20	11.50	13.70

41.13 Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenses in statement of profit and loss	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Provisions for depreciation on investment	-	-	-
Provision towards NPAs*	402.51	14.15	-70.38
Provision for Standard Assets#	963.88	469.29	169.35
Provision for other trade and receivables	28.70	-	-
Provision made towards tax expenses	3,360.13	1,795.29	942.82
Other provision and contingencies (with details)			
Provision for employee benefits			
- Compensated absences	5.36	2.62	2.46
- Gratuity	31.68	12.23	8.56

* Represents reduction in impairment loss allowance on stage 3 loans.

Represents impairment loss allowance on stage 1 and stage 2 loans including undisbursed commitment.

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41.14 The Company has not made any drawdown from existing reserves.

41.15 Concentration of advances, exposures and NPAs*:

41.15.1 The Company is a non deposit accepting NBFC and hence does not have any depositors.

41.15.2 Concentration of advances	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total advances to twenty largest borrowers	319.43	269.88	225.16
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.08%	0.10%	0.15%

41.15.3 Concentration of exposures [on limit basis or outstanding basis whichever is higher]	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total exposure to twenty largest borrowers / customers	363.28	284.55	255.31
Percentage of exposures to twenty largest borrowers/ customers to Total exposure of the NBFC on borrowers / customers	0.08%	0.09%	0.15%

41.15.4 Concentration of NPAs*	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total exposure to top four NPA accounts	29.38	26.40	25.74

* NPAs presented above reflects credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

41.15.5 Movement of NPAs*

Sr. No.	Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(i)	Net NPAs to net advances	0.07%	0.03%	0.10%
(ii)	Movement of NPAs (Gross)			
	(a) Opening balance	214.64	254.03	506.16
	(b) Additions during the year	649.13	125.10	125.94
	(c) Reductions during the year	(65.01)	(164.49)	(378.07)
	(d) Closing balance	798.76	214.64	254.03
(iii)	Movement of Net NPAs			
	(a) Opening balance	97.85	151.40	333.15
	(b) Additions during the year	227.10	67.17	91.68
	(c) Reductions during the year	(45.49)	(120.71)	(273.43)
	(d) Closing balance	279.46	97.85	151.40
(iv)	Movement of provisions for NPAs* (excluding provisions on standard assets)			
	(a) Opening balance	116.79	102.63	173.01
	(b) Provisions made during the year	422.03	57.94	34.26
	(c) Write-off / write-back of excess provisions	(19.53)	(43.78)	(104.64)
	(d) Closing balance	519.29	116.79	102.63

* NPAs presented above reflects credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

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41.16 Sectoral exposure disclosure as per Scale Based Regulations

Sectors	As at 31 March 2025		
	Total Exposure (₹ lakhs)	Gross NPAs* (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-
2. Industry	-	-	-
3. Services	-	-	-
4. Personal Loans			
i. Education Loans	4,17,096.39	798.76	0.19%
ii. Others	-	-	-
Total of Personal Loans	4,17,096.39	798.76	0.19%
5. Others, if any	-	-	-

Sectors	As at 31 March 2024		
	Total Exposure (₹ lakhs)	Gross NPAs* (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-
2. Industry	-	-	-
3. Services	-	-	-
4. Personal Loans			
i. Education Loans	2,81,871.98	214.64	0.08%
ii. Others	-	-	-
Total of Personal Loans	2,81,871.98	214.64	0.08%
5. Others, if any	-	-	-

Sectors	As at 31 March 2023		
	Total Exposure (₹ lakhs)	Gross NPAs* (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-
2. Industry	-	-	-
3. Services	-	-	-
4. Personal Loans			
i. Education Loans	1,52,976.60	254.03	0.17%
ii. Others	-	-	-
Total of Personal Loans	1,52,976.60	254.03	0.17%
5. Others, if any	-	-	-

41.17 Intra-group exposures

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total amount of intra-group exposures	Nil	Nil	Nil
Total amount of top 20 intra-group exposures	Nil	Nil	Nil
Percentage of intra-group exposures to total exposure of the Company on borrowers/	Nil	Nil	Nil

41.18 The Company does not have any overseas assets during the reporting periods.

41.19 The Company has not sponsored any off-balance sheet Special Purpose Vehicles during the reporting periods.

Credila Financial Services Limited

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.20 Customer complaints

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Complaints received by the NBFC from its customers			
1. Number of complaints pending at beginning of the year	7	2	-
2. Number of complaints received during the year	1,304	1,636	1,560
3. Number of complaints disposed during the year	1,311	1,631	1,558
3.1. Of which, number of complaints rejected by the NBFC	162	155	11
4. Number of complaints pending at the end of the year	-	7	2
Maintainable complaints received by the NBFC from Office of			
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	154	32	26
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	149	13	11
5.2. Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	5	16	4
5.3. Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	Not applicable	Not applicable	Not applicable

Grounds of complaints, (i.e. complaints relating to) (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
As at 31 March 2025					
Sanction	5	242	91%	2	-
Disbursement	-	260	-56%	-	-
Post Disbursement	1	771	-10%	5	-
Behavioural issues	-	9	-80%	-	-
Others	1	22	175%	-	-
Total	7	1,304	-20%	7	-
As at 31 March 2024					
Sanction	2	127	-34%	-	-
Disbursement	-	597	-38%	-	-
Post Disbursement	-	858	143%	-	-
Behavioural issues	-	46	-13%	-	-
Others	-	8	-	-	-
Total	2	1,636	5%	-	-
As at 31 March 2023					
Sanction	-	700	329%	1	-
Service	-	311	640%	-	-
Disbursement	-	254	274%	-	-
Credit decline	-	101	248%	-	-
Origination fees	-	91	355%	1	-
Othes	-	103	636%	-	-
Total	-	1,560	364%	2	-

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.21 Disclosure of Restructured Accounts as on 31 March 2025

Type of Restructuring Asset Classification Details		Others				
		Standard	Substandard	Doubtful	Loss	Total
Restructured accounts as on 1 April, 2024 (Opening figures)	No. of borrowers	-	1	-	-	1
	Amt. outstanding	-	4.22	-	-	4.22
	Provision thereon	-	0.72	-	-	0.72
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations of restructured accounts to Standard category	No. of borrowers	-	1	-	-	1
	Amt. outstanding	-	4.22	-	-	4.22
	Provision thereon	-	0.72	-	-	0.72
Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Write-offs / settlements / recoveries of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	0.00
	Provision thereon	-	-	-	-	0.00
Restructured accounts as on 31 March 2025 (Closing figures)	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-

Disclosure of Restructured Accounts As on 31 March 2024

Type of Restructuring Asset Classification Details		Others*				
		Standard	Substandard	Doubtful	Loss	Total
Restructured accounts as on 1 April 2023 (Opening figures)	No. of borrowers	-	4	-	-	4
	Amt. outstanding	-	18.52	-	-	18.52
	Provision thereon	-	4.53	-	-	4.53
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations of restructured accounts to Standard category	No. of borrowers	-	1	-	-	1
	Amt. outstanding	-	-	-	-	0
	Provision thereon	-	-	-	-	-
Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amt. outstanding	-	4.30	-	-	4
	Provision thereon	-	4.30	-	-	4
Write-offs / settlements / recoveries of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amt. outstanding	-	(0.50)	-	-	(0.50)
	Provision thereon	-	(0.50)	-	-	(0.50)
Restructured accounts as on 31 March 2024 (Closing figures)	No. of borrowers	-	1	-	-	1
	Provision thereon	-	0.72	-	-	0.72

* excludes loans restructured under the Covid-19 Resolution Framework 1.0 & 2.0 which are separately disclosed in Note 40.27. No loans restructured under CDR Mechanism, SME Debt Restructuring Mechanism.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

Disclosure of Restructured Accounts As on 31 March 2023

Type of Restructuring Asset Classification Details		Others*	Standard	Substandard	Doubtful	Loss	Total
Restructured accounts as on 1 April 2022 (Opening figures)	No. of borrowers	-	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	-	4	0	0	4
	Amt. outstanding	-	-	18.62	-	-	18.62
	Provision thereon	-	-	4.56	-	-	4.56
Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-	0
	Provision thereon	-	-	-	-	-	-
Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-
Write-offs / settlements / recoveries of restructured accounts during the FY	No. of borrowers	-	-	4	-	-	4
	Amt. outstanding	-	-	0.10	-	-	0.10
	Provision thereon	-	-	0.02	-	-	0.02
Restructured accounts as on 31 March 2023 (Closing figures)	No. of borrowers	-	-	4	-	-	4
	Amt. outstanding	-	-	18.52	-	-	18.52
	Provision thereon	-	-	4.53	-	-	4.53

41.22 Related Party Transactions and Policy on dealing with Related Party Transactions

Details of the related party transactions are provided in the note 37. The Company's Policy on related party transactions is available on its website.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.23 Asset liability management

Maturity pattern of certain items of assets and liabilities as at 31 March 2025:

Particulars	1 day to 7 days	8 days to 14 days	15 days to 31 days	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings *	247.36	20.77	1,605.81	3,367.85	7,607.96	20,742.64	66,509.48	1,20,820.73	64,675.07	33,726.81	3,19,324.48
Foreign currency liabilities	-	-	333.96	275.54	-	-	-	57,612.08	13,891.72	-	72,113.30
Assets											
Advances	616.07	1,854.53	1,593.29	3,911.99	4,016.86	13,597.91	32,275.68	1,43,839.14	74,000.83	1,40,870.80	4,16,577.10
Investments	36.70	2,063.47	1,557.30	2,324.45	2,072.18	1,398.15	14,329.10	-	-	-	23,781.35
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as at 31 March 2024:

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30 days	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings *	267.45	-	326.12	834.24	11,700.77	7,470.18	42,078.74	88,580.10	60,781.65	42,162.59	2,54,201.84
Foreign currency liabilities	-	-	121.02	-	-	-	-	8,229.64	-	-	8,350.66
Assets											
Advances	413.20	1,309.09	1,041.64	2,576.03	2,709.37	9,452.96	21,463.54	1,04,479.35	53,963.64	84,346.38	2,81,755.20
Investments	2,149.14	66.61	33.56	26.69	2,572.12	26.24	448.97	3,760.79	1,167.51	1,001.90	11,253.53
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as at 31 March 2023:

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30 days	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings *	436.62	-	46.87	69.05	3,193.06	5,727.03	6,762.54	48,107.77	35,572.27	38,418.53	1,38,333.74
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	390.85	1,170.07	961.67	2,252.53	2,220.50	6,482.61	12,240.31	44,190.76	32,115.99	50,848.68	1,52,873.97
Investments	-	-	305.01	-	1,250.00	730.85	2,490.73	610.72	532.60	-	5,919.91
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

The above statements are prepared based on the prepayment assumptions approved by the ALCO.

* The above tables include interest accrued but not due on borrowings.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.24 Schedule to the balance sheet of a non-deposit taking non-banking financial Company [as required in terms of paragraph 31 of Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 / paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016]

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side :						
Loans and advances availed by the non banking financial company inclusive of interest accrued						
a) Debentures - Secured	41,159.10	-	31,685.47	-	33,650.68	-
- Unsecured	16,170.32	-	17,091.21	-	13,347.50	-
(Other than falling within the meaning of public deposit)						
b) Deferred credit		-	-	-	-	-
c) Term loan	3,09,978.13	-	1,97,909.44	-	88,637.33	-
d) Inter - corporate loans and borrowing	-	-	-	-	-	-
e) Commercial paper	19,374.24	-	11,376.36	-	2,698.23	-
f) Other loan	4,756.00	-	4,490.00	-	-	-
g) Book overdraft		-	-	-	-	-
Asset side :						
Break-up of loans and advances including bills receivables						
a) Secured		78,851.65		58,797.44		41,052.06
b) Unsecured		3,38,244.74		2,23,074.54		1,11,924.54
Break up of leased assets and stock on hire and other assets counting towards Asset Financing activities						
(i) Lease assets including lease rentals under sundry debtors:		-		-		-
(a) Financial lease		-		-		-
(b) Operating lease		-		-		-
(ii) Stock on hire including hire charges under sundry debtors:		-		-		-
(a) Assets on hire		-		-		-
(b) Repossessed Assets		-		-		-
(iii) Other loans counting towards AFC activities		-		-		-
(a) Loans where assets have been repossessed		-		-		-
(b) Loans other than (a) above		-		-		-
Break of investments:						
Current investments:						
1. <u>Quoted:</u>						
(i) Shares: (a) Equity		-		-		-
(b) Preference		-		-		-
(ii) Debentures and bonds		-		-		-
(iii) Units of mutual funds		2,077.15		250.13		2,016.26
(iv) Government securities		21,704.20		5,073.19		2,760.32
(v) Others (please specify)		-		-		-
2. <u>Unquoted:</u>						
(i) Shares: (a) Equity		-		-		-
(b) Preference		-		-		-
(ii) Debentures and bonds		-		-		-
(iii) Units of mutual funds		-		-		-
(iv) Government securities		-		5,930.19		-
(v) Others (please specify)		-		-		-
Long term investments :						
1. <u>Quoted:</u>						
(i) Shares: (a) Equity		-		-		-
(b) Preference		-		-		-
(ii) Debentures and bonds		-		-		-
(iii) Units of mutual funds		-		-		-
(iv) Government securities		-		-		1,143.32
(v) Others (please specify)		-		-		-
2. <u>Unquoted:</u>						
(i) Shares: (a) Equity		-		-		-
(b) Preference		-		-		-
(ii) Debentures and bonds		-		-		-
(iii) Units of mutual funds		-		-		-
(iv) Government securities		-		-		-
(v) Others (please specify)		-		-		-

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

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41.24 Schedule to the balance sheet of a non-deposit taking non-banking financial Company [as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016] (continued)

5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Category	As at 31 March 2025		Total
	Secured	Unsecured	
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	78,851.65	3,38,244.74	4,17,096.39
	78,851.65	3,38,244.74	4,17,096.39

Category	As at 31 March 2024		Total
	Secured	Unsecured	
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	58,797.44	2,23,074.54	2,81,871.98
	58,797.44	2,23,074.54	2,81,871.98

Category	As at 31 March 2023		Total
	Secured	Unsecured	
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	41,052.06	1,11,924.54	1,52,976.60
	41,052.06	1,11,924.54	1,52,976.60

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Market value / break up or fair value or NAV	Book value (Net of provisions)	Market value / break up or fair value or NAV	Book value (Net of provisions)	Market value / break up or fair value or NAV	Book value (Net of provisions)
1. Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	23,781.35	23,781.35	11,253.51	11,253.51	5,919.90	5,919.90
	23,781.35	23,781.35	11,253.51	11,253.51	5,919.90	5,919.90

7) Other information

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
i) Gross non performing assets (NPAs)*			
a) Related parties	-	-	-
b) Other than related parties	798.76	214.64	254.03
ii) Net non performing assets (NPAs)*			
a) Related parties	-	-	-
b) Other than related parties	279.46	97.85	151.40
iii) Assets acquired in satisfaction of debt	-	-	-

* NPAs presented above reflect credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.25 Disclosure pursuant to Para 15A of the RBI Master Direction on "Guidelines on Liquidity Risk Management Framework":

41.25.1 Public Disclosure on Liquidity Risk

i. Funding Concentration based on significant counterparty ¹

As at	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
31 March 2025	25 (Twenty Five)	3,00,240.33	NA	76%
31 March 2024	26 (Twenty six)	2,20,402.02	NA	83%
31 March 2023	21 (Twenty one)	1,04,652.15	NA	75%

ii. Top 20 large deposits

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not ac

iii. Top 10 borrowings

As at	Amount	% of Total Borrowings
31 March 2025	1,22,646.95	32%
31 March 2024	77,539.85	30%
31 March 2023	43,360.52	32%

iv. Funding Concentration based on significant instrument/product ²

Name of the instrument/product	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Secured non convertible debentures	39,988.81	10%	30,631.04	12%	32,541.84	23%
Commercial paper	19,374.24	5%	11,376.36	4%	2,698.23	2%
Term loans from banks & financial institutions	2,37,584.85	60%	1,89,252.86	71%	88,627.36	63%
External commercial borrowings	71,503.80	18%	8,229.64	3%	-	0%
Overdrafts and working capital facilities	4,756.00	1%	4,490.00	2%	-	0%
Subordinated tier II non convertible debentures	10,772.12	3%	10,679.43	4%	7,032.79	5%
Perpetual debt instruments to the extent that do not qualify as equity	4,709.65	1%	5,668.94	2%	5,651.99	4%
Total Borrowings	3,88,689.47	98%	2,60,328.27	98%	1,36,552.21	97%
Total Liabilities ³	3,94,999.98		2,65,226.05		1,40,109.51	

v. Stock Ratios:

As at 31 March 2025

Particulars	as a % of total public funds ⁴	as a % of total liabilities ³	as a % of total assets
Commercial papers	5%	5%	4%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	22%	21%	17%

As at 31 March 2024

Particulars	as a % of total public funds ⁴	as a % of total liabilities ³	as a % of total assets
Commercial papers	4%	4%	4%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	20%	20%	17%

As at 31 March 2023

Particulars	as a % of total public funds ⁴	as a % of total liabilities ³	as a % of total assets
Commercial papers	2%	2%	2%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	11%	10%	9%

vi. Institutional set-up for liquidity risk management

The Liquidity Risk Management of the Company is governed by the Liquidity Risk Management Framework ("LRMF"), Asset Liability Management ("ALM") & Financial Risk Management ("FRM") Policy approved by the Board of Directors. The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by the Company including liquidity risk. The Asset Liability Management Committee ("ALCO") is responsible for ensuring adherence to the liquidity risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

* Notes:

- 1 Significant counterparty / instrument / product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 2 Total Liabilities has been computed as sum of all liabilities (as per Balance Sheet) less Equities and Reserves/Surplus.
- 3 Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.25.1.2 LCR Disclosure

LCR Disclosure as at 31 March 2025

Particulars	For the quarter ended 30 June 2024		For the quarter ended 30 September 2024		For the quarter ended 31 December 2024		For the quarter ended 31 March 2025	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A High Quality Liquid Assets (HQLA)								
1 Balance in Current Accounts	369	369	257	257	428	428	279	279
2 Investment in Government Securities	11,395	11,395	18,288	18,288	18,526	18,526	21,000	21,000
Total HQLA	11,764	11,764	18,545	18,545	18,953	18,953	21,278	21,278
B Cash Outflows								
1 Unsecured wholesale funding	1,767	2,032	3,407	3,918	459	528	3,236	3,722
2 Secured wholesale funding	4,403	5,064	4,009	4,610	6,194	7,123	8,279	9,521
3 Additional requirements, of which							-	-
Outflows related to derivative exposures and other collateral requirements	6	7	62	71	81	93	56	65
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
4 Other contractual funding obligations	14,362	16,516	21,352	24,554	13,177	15,154	9,598	11,038
5 Other contingent funding obligations	326	375	553	636	561	645	394	454
TOTAL CASH OUTFLOWS	23,995	23,995	33,791	33,791	23,543	23,543	24,798	24,798
C Cash Inflows								
1 Secured lending	-	-	-	-	-	-	-	-
2 Inflows from fully performing exposures	3,261	2,446	989	742	978	734	1,000	750
3 Other cash inflows	33,352	25,014	43,468	32,601	29,680	22,260	33,845	25,384
TOTAL CASH INFLOWS	27,460	27,460	33,342	33,342	22,994	22,994	26,134	26,134
TOTAL HQLA	Total Adjusted Value	11,764	Total Adjusted Value	18,545	Total Adjusted Value	18,953	Total Adjusted Value	21,278
TOTAL NET CASH OUTFLOWS								
[Stressed Outflows - (Minimum of Stressed Inflows OR 75% of Stressed Outflows)]		5,999		8,448		5,886		6,199
LIQUIDITY COVERAGE RATIO (%)		196%		220%		322%		343%

LCR Disclosure as at 31 March 2024

Particulars	For the quarter ended 30 June 2023		For the quarter ended 30 September 2023		For the quarter ended 31 December 2023		For the quarter ended 31 March 2024	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A High Quality Liquid Assets (HQLA)								
1 Balance in Current Accounts	313	313	788	788	218	218	271	271
2 Investment in Government Securities	3,968	3,968	5,942	5,942	8,258	8,258	9,422	9,422
Total HQLA	4,281	4,281	6,730	6,730	8,476	8,476	9,693	9,693
B Cash Outflows								
1 Unsecured wholesale funding	745	857	2,004	2,304	1,660	1,909	4,958	5,702
2 Secured wholesale funding	1,878	2,160	4,360	5,014	5,856	6,734	7,613	8,755
3 Additional requirements, of which								
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
4 Other contractual funding obligations	8,124	9,342	15,175	17,451	11,860	13,639	9,126	10,495
5 Other contingent funding obligations	102	117	388	447	143	165	1	1
TOTAL CASH OUTFLOWS	12,476	12,476	25,216	25,216	22,447	22,447	24,953	24,953
C Cash Inflows								
1 Secured lending	-	-	-	-	-	-	-	-
2 Inflows from fully performing exposures	2,478	1,858	2,523	1,892	2,633	1,975	2,731	2,048
3 Other cash inflows	14,604	10,953	30,576	22,932	18,887	14,165	26,014	19,510
TOTAL CASH INFLOWS	12,811	12,811	24,824	24,824	16,140	16,140	21,558	21,558
TOTAL HQLA	Total Adjusted Value	4,281	Total Adjusted Value	6,730	Total Adjusted Value	8,476	Total Adjusted Value	9,693
TOTAL NET CASH OUTFLOWS								
[Stressed Outflows - (Minimum of Stressed Inflows OR 75% of Stressed Outflows)]		3,119		6,304		6,307		6,238
LIQUIDITY COVERAGE RATIO (%)		137%		107%		134%		155%

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.25.1.2 LCR Disclosure (continued)

LCR Disclosure as at 31 March 2023

Particulars	For the quarter ended 30 June 2022		For the quarter ended 30 September 2022		For the quarter ended 31 December 2022		For the quarter ended 31 March 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A High Quality Liquid Assets (HQLA)								
1 Balance in Current Accounts	115	115	230	230	139	139	216	216
2 Investment in Government Securities	1,273	1,273	2,452	2,452	2,114	2,114	3,481	3,481
Total HQLA		1,388		2,682		2,253		3,697
B Cash Outflows								
1 Unsecured wholesale funding	266	306	1,362	1,566	1,667	1,918	3,064	3,524
2 Secured wholesale funding	990	1,138	954	1,097	1,959	2,253	3,014	3,466
3 Additional requirements, of which								
Outflows related to derivative exposures and other collateral requirements	28	32	23	27	36	42	8	9
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
4 Other contractual funding obligations	3,201	3,682	7,999	9,199	5,096	5,860	5,673	6,524
5 Other contingent funding obligations	146	167	131	151	113	130	139	160
TOTAL CASH OUTFLOWS		5,325		12,040		10,202		13,682
C Cash Inflows								
1 Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	2,095	1,571	2,280	1,710	2,219	1,664	2,263	1,697
3 Other cash inflows	5,055	3,792	11,318	8,488	10,615	7,961	14,005	10,504
TOTAL CASH INFLOWS		5,363		10,198		9,626		12,201
TOTAL HQLA	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
		1,388		2,682		2,253		3,697
TOTAL NET CASH OUTFLOWS								
[Stressed Outflows - (Minimum of Stressed Inflows OR 75% of Stressed Outflows)]		1,331		3,010		2,551		3,420
LIQUIDITY COVERAGE RATIO (%)		104%		89%		88%		108%

* Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

* Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

E Qualitative Disclosure on LCR

As per Para 26 of the RBI Master Direction, applicable NBFCs are required to maintain a liquidity buffer in terms of LCR which will promote their resilience to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days.

Road Map for all non-deposit taking NBFCs with asset size of ₹10,000 crore and above to adhere the LCR is as per the table (as prescribed by RBI).

From	01-Dec-20	01-Dec-21	01-Dec-22	01-Dec-23	01-Dec-24
Minimum LCR	50%	60%	70%	85%	100%

As required under above requirements, the Company was required to maintain LCR at 70% during 01 December 2022 to 30 November 2023; at 85% during 01 December 2023 to 30 November 2024. The LCR for the quarter ended 31 March 2025 is at 343% based on daily average for the quarter ended 31 March 2024 as against 155%. The company was compliant with maintenance of stipulated LCR.

LCR has been defined as : Stock of high quality liquid assets (HQLAs) divided by Total net cash outflow over the next 30 calendar days.

Composition of HQLA :

Liquid assets comprise of high quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are three categories of assets included in the stock of HQLAs, viz. assets with 0%, 15% and 50% haircuts. The HQLA maintained by the Company comprises Government securities (including Government Securities and Treasury bills) and bank balance maintained in current account.

Main drivers to the LCR :

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115%(15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow). However, total cash inflows are subjected to an aggregate cap of 75% of total expected cash outflows.

The total net cash outflow is the total expected stressed cash outflows minus total expected stressed cash inflows for the subsequent 30 calendar days. The increase in cash outflow was mainly driven by increase in scheduled repayment of borrowings and increase in the projected disbursements. The Company had hedged foreign exchange risks and interest rate risks by using derivatives instruments viz., principal only swap (POS), USD - INR interest rate swap and INR - OIS interest rate swap.

Liquidity Management in the Company is driven by the LRMF, FRM and ALM Policy of the Company and other regulatory prescriptions. The ALCO has been empowered by the Company's Board to formulate the funding strategies to ensure that the funding sources are well diversified and consistent with the requirements of the Company. In addition to the LCR reporting, the Company prepares Structural Liquidity statements to assess the liquidity needs of the Company on an ongoing basis. The Management is of the view that the Company has sufficient liquidity cover to meet its likely future short term requirements.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.26 Disclosure as per Annexure XXVI on "Regulatory Guidance on Implementation of Indian Accounting Standards by NBFCs"

A. As at 31 March 2025

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	4,13,966.96	1,271.31	4,12,695.65	1,659.17	-387.86
	Stage 2	2,330.68	612.70	1,717.98	9.73	602.97
	Stage 3	106.27	106.27	-	0.48	105.79
Subtotal for Performing Assets		4,16,403.91	1,990.28	4,14,413.63	1,669.38	320.90
Non-Performing Assets (NPA)						
Substandard	Stage 3	359.94	105.55	254.39	54.63	50.92
Doubtful - up to 1 year	Stage 3	229.84	222.36	7.48	223.56	(1.20)
1 to 3 years	Stage 3	42.17	31.60	10.57	35.47	(3.87)
More than 3 years	Stage 3	29.14	22.11	7.03	26.26	(4.15)
Subtotal for doubtful		301.15	276.07	25.08	285.29	(9.22)
Loss	Stage 3	31.40	31.40	-	31.40	-
Subtotal for NPA		692.49	413.02	279.47	371.32	41.70
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	65.03	(65.03)	-	65.03
	Stage 2	-	3.53	(3.53)	-	3.53
	Stage 3	-	-	-	-	-
Subtotal		-	68.56	(68.56)	-	68.56
Total	Stage 1	4,13,966.96	1,336.34	4,12,630.62	1,659.17	(322.83)
	Stage 2	2,330.68	616.23	1,714.45	9.73	606.50
	Stage 3	798.76	519.29	279.47	371.80	147.49
	Total	4,17,096.40	2,471.86	4,14,624.54	2,040.70	431.16

* Provisions required as per IRACP norms amount to ₹ 2,245.68 million. The amounts tabulated above include ₹ 47.68 million towards unrealised interest on NPAs

As at 31 March 2024

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	2,80,627.88	656.42	2,79,971.46	1,144.79	(488.37)
	Stage 2	1,029.46	266.61	762.85	4.50	262.11
Subtotal for Performing Assets		2,81,657.34	923.03	2,80,734.31	1,149.29	(226.25)
Non-Performing Assets (NPA)						
Substandard	Stage 3	94.09	23.28	70.81	13.92	9.36
Doubtful - up to 1 year	Stage 3	23.69	21.38	2.31	22.43	(1.05)
1 to 3 years	Stage 3	40.97	28.33	12.64	32.65	(4.32)
More than 3 years	Stage 3	23.18	11.07	12.11	18.59	(7.52)
Subtotal for doubtful		87.84	60.78	27.06	73.67	(12.89)
Loss	Stage 3	32.72	32.72	-	32.72	0.00
Subtotal for NPA		214.65	116.78	97.87	120.31	(3.53)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	60.37	(60.37)	-	60.37
	Stage 2	-	5.31	(5.31)	-	5.31
	Stage 3	-	-	-	-	-
Subtotal		-	65.67	(65.67)	-	65.67
Total	Stage 1	2,80,627.88	716.78	2,79,911.10	1,144.79	(428.00)
	Stage 2	1,029.46	271.92	757.54	4.50	267.42
	Stage 3	214.65	116.78	97.87	120.31	(3.53)
	Total	2,81,871.99	1,105.48	2,80,766.51	1,269.60	(164.11)

* Provisions required as per IRACP norms amount to ₹ 1,243.23 million. The amounts tabulated above include ₹ 26.37 million towards unrealised interest on NPAs

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

41.26 Disclosure as per Annexure XXVI on "Regulatory Guidance on Implementation of Indian Accounting Standards by NBFCs" (continued)

As at 31 March 2023

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,52,132.65	345.81	1,51,786.84	633.20	(287.39)
	Stage 2	533.79	128.97	404.82	2.14	126.83
Standard restructured	Stage 2	56.13	10.19	45.94	5.35	4.84
	Stage 3	68.97	17.64	51.33	6.13	11.52
Subtotal for Performing Assets		1,52,791.54	502.61	1,52,288.93	646.82	(144.21)
Non-Performing Assets (NPA)						
Substandard	Stage 3	67.88	16.26	51.62	9.32	6.94
Doubtful - up to 1 year	Stage 3	33.86	7.52	26.34	21.11	(13.60)
1 to 3 years	Stage 3	44.33	27.50	16.83	34.96	(7.45)
More than 3 years	Stage 3	6.44	1.16	5.28	4.94	(3.78)
Subtotal for doubtful		84.63	36.18	48.45	61.01	(24.83)
Loss	Stage 3	32.55	32.55	-	32.55	-
Subtotal for NPA		185.06	84.99	100.07	102.88	(17.89)
Other items such as guarantees, loan commitments etc. which are in the scope of Ind	Stage 1		31.40	(31.40)	-	31.40
	Stage 2		3.06	(3.06)	-	3.06
	Stage 3			-	-	-
Subtotal		-	34.46	(34.46)	-	34.46
Total	Stage 1	1,52,132.65	377.21	1,51,755.44	633.20	(255.99)
	Stage 2	589.92	142.22	447.70	7.49	134.73
	Stage 3	254.03	102.63	151.40	109.01	(6.38)
	Total	1,52,976.60	622.06	1,52,354.54	749.70	(127.64)

* Provisions required as per IRACP norms amount to ₹ 727.68 million. The amounts tabulated above include ₹ 22.02 million towards unrealised interest on NPAs.

41.27 Disclosure pursuant to RBI notification on "Resolution Framework for COVID-19-related Stress" dated August 6, 2020 and on "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" dated May 5, 2021

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2024	Of (A), aggregate debt that slipped into NPA during the year ended 31 March 2025	Of (A) amount written off during the year ended 31 March 2025	Of (A) amount paid by the borrowers during the year ended 31 March 2025^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2025
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2023	Of (A), aggregate debt that slipped into NPA during the year end 31 March 2024	Of (A) amount written off during the year end 31 March 2024	Of (A) amount paid by the borrowers during the year end 31 March 2024^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2024
Personal Loans	125.10	-	-	125.10	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	125.10	-	-	125.10	-

^ Amount paid by borrower during the year net of additions in the account including additions due to interest capitalisation. Includes loans outstanding upgraded to "Standard" from "Standard Restructured" on satisfactory performance during the specified period of 12 months.

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41.27 Disclosure pursuant to RBI notification on "Resolution Framework for COVID-19-related Stress" dated August 6, 2020 and on "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" dated May 5, 2021 (continued)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2022	Of (A), aggregate debt that slipped into NPA during the year end 31 March 2023	Of (A) amount written off during the year end 31 March 2023	Of (A) amount paid by the borrowers during the year end 31 March 2023 [^]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2023
Personal Loans	550.21	22.54	-	402.58	125.10
Corporate persons*	-	-	-	-	-
<i>Of which, MSMEs</i>	-	-	-	-	-
Others	-	-	-	-	-
Total	550.21	22.54	-	402.58	125.10

[^] Amount paid by borrower during the year in net of additions in the account including additions due to interest capitalisation.

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** includes restructuring done in respect of requests received as on 30 September 2021 implemented subsequently

[^] Amount paid by borrower during the year in net of additions in the account including additions due to interest capitalisation.

41.28 The disclosures as required by the Master Direction - Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016

There were 20 cases of fraud amounting to ₹ 68 million reported to RBI during the year ended 31 March 2025 and subsequent to 31 March 2025 another 31 cases of fraud amounting to ₹ 101.06 million were reported to RBI. (Refer note 44)

Further, frauds amounting to ₹ Nil in year ended 31 March 2024 and ₹ 1.09 million in the year ended 31 March 2023 have been reported to RBI during respective years.

41.29 Breach of covenant

The Company has not breached any covenant of loans availed or debt securities issued during the reporting periods.

41.30 Divergence in the asset classification and provisioning

Nil

41.31 Loans to Directors, Senior Officers and Relatives of Directors

The Company has not lent any amount to Directors, Senior Officers and Relatives of Directors during the reporting periods.

41.32 CDS (Credit Default Swaps) disclosure

The Company has not entered into Credit Default Swaps during the reporting periods.

41.33 Disclose the circumstances in which revenue recognition has been postponed

There were no instances of postponement of revenue recognition pending the resolution of significant uncertainties during the reporting periods.

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

42 Other Information (for the reporting periods)

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company has not traded or invested in Crypto Currency or Virtual Currency.
- c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31 March 2025, 31 March 2024 and 31 March 2023, in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except approval of Registrar of Companies on eForm CHG - 9 is awaited on charge amounting to INR 50 Crores filed on 8 April 2025.
- h) The Company does not own any immovable properties other than properties where the Company is the lessee and the lease agreement are duly executed in favour of lessee.
- i) The Company has used multiple accounting software for maintaining its books of Account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for FY 2024-25 in respect of database level audit trail for direct database changes wherein for two software the audit log does not contain the details of user who has modified values; and for one software, the audit log does not contain the pre-modified values.
- j) In respect of borrowings from banks and financial institutions, quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- k) The Company has not entered into any transactions with any struck-off companies.
- l) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- m) During the year ended 31 March 2025, the Company has not undertaken any transactions for currency futures and currency options
- n) There are no prior period items which are impacting Company's current year profit and loss.

43 Contingent Liabilities & Capital Commitments

- a) During the current year, Company has received three orders from GST department demanding ₹ 117.37 lakhs. The Company has filed appeals with Appellate Authority against two such orders passed and paid GST of ₹ 0.57 million. Also, the Company is under process of filing appeal against the third order.

During the year ended 31 March 2024, the Company has received order from GST department demanding ₹ 3.61 million for FY 2017-18. The Company has filed an appeal with Appellate Authority against the order passed by Assistant Commissioner of GST department by paying GST of ₹ 0.17 million.

As at 31 March 2025, the Company has contingent liability of ₹ 15.35 million (as at 31 March 2024 ₹ 3.61 million, as at 31 March 2023: Nil and as at 31 March 2022: Nil).

- b) Capital expenditures contracted for but not recognized in the financial statements towards Development of Intangible assets / purchase of Computers is mentioned

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Undisbursed sanctioned loans	67,884.34	38,503.41	21,362.77
Capital expenditures contracted for but not recognized in the financial statements	14.16	52.56	103.13

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Annexure V – Basis of Preparation, Material Accounting Policies and Notes to the Restated Financial Information (continued)

(All amounts in INR Millions, unless otherwise stated)

44 Other Disclosures

During the quarter ended 30 September 2024, the Company encountered an incident of suspected fraud and misrepresentation by borrowers. In this regard, the Company uncovered 71 transactions where there was suspected misrepresentation of documents from the borrowers, and a further review was conducted to analyze loans with similar profiles to evaluate if there were any additional suspected cases. Arising from the said review for confirmed fraud cases the Company had written off ₹ 44.80 million and to account for any expected credit losses and write-offs arising from the incident and pending completion of its investigation of suspected cases with similar typology, the Company had recognized a provision of ₹ 800 million in the statement of profit and loss in the said quarter. The Company also engaged an independent professional firm to investigate the incident to ascertain staff accountability, if any and the report did not establish any conclusive evidence indicating any collusion of staff. The Company has taken efforts to maximize recovery from such suspected fraud cases including issuance of show cause notices to these borrowers and after assessment of the responses received, the Company has filed Fraud Monitoring Report for 51 cases where fraud has been established with an aggregate exposure of ₹ 169 million as prescribed in the RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies dated 15 July 2024. The Company has reviewed loans with similar profiles for potential suspected frauds and concluded that there are no incremental fraud cases except certain cases with potential stress with an aggregate exposure of ₹ 117.6 million. These have been migrated from Stage 2 to Stage 3 under the Expected Credit Loss Model on which 100% ECL provision has been retained. Accordingly, the management has reclassified loans with an aggregate exposure of ₹ 513.4 million from Stage 2 to Stage 1 with a release of ECL provision of ₹ 513.4 million thereon during the quarter ended 31 March 2025.

45 Events after the reporting period

There have been no events after the reporting date that require disclosure in these financial statements.

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No: 301112E/E300264

For and on behalf of Board of Directors of

Credila Financial Services Limited

(Formerly HDFC Credila Financial Services Limited)

CIN No: U67190MH2006PLC159411

Sharad Agarwal

Partner

Membership No: 118522

Damodarannair Sundaram

Chairman

(DIN - 00016304)

Arijit Sanyal

Managing Director & CEO

(DIN - 08386684)

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

Rahul Joglekar

Partner

Membership No: 129389

Manjeet Bijlani

Chief Financial Officer

(ACA - 102472)

Karishma Jhaveri

Company Secretary

(ACS - 25932)

Place:- Mumbai

Date: 09 June 2025

Place:- Mumbai

Date: 09 June 2025

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure VI - Statement of adjustments to the audited financial statements

Part A: Statement of adjustments to audited financial statements

Reconciliation of total equity as per audited financial statement with total equity as per restated financial information

Summarised below are the restatement adjustments made to the total equity as per the audited financial statement of the Credila Financial Services Limited for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 and their consequential impact on the equity of the Credila Financial Services Limited.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
A. Total equity as per audited restated financial statements	86,945.06	50,433.64	24,350.92
B. Adjustments:			
(i) Audit qualifications	-	-	-
(ii) Adjustments due to prior period items / other adjustments	-	-	-
Total Adjustments	-	-	-
C. Total equity as per audited restated financial information	86,945.06	50,433.64	24,350.92

Reconciliation of total comprehensive income as per audited financial statement with total comprehensive income as per restated financial information

Summarised below are the restatement adjustments made to the total comprehensive income as per the audited financial statement of the Credila Financial Services Limited for the year ended 31 March 2025, 31 March 2024 and 31 March 2023.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Total comprehensive income as per audited financial statement	9,417.18	5,379.67	2,759.95
B. Adjustments:			
(i) Audit qualifications	-	-	-
(ii) Adjustments due to prior period items / other adjustments	-	-	-
Total Adjustments	-	-	-
C. Total comprehensive income as per restated financial information	9,417.18	5,379.67	2,759.95

Note to adjustment:

i) Audit qualifications - There are no audit qualifications in auditor's report for the year ended 31 March 2025, 31 March 2024 and 31 March 2023.

ii) Material regrouping/ reclassification - Appropriate regrouping/ reclassification have been made in the restated statement of assets and liabilities, restated statement of profit and loss and restated statement of cash flows, wherever required, by reclassification of corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited Financial Statements for the year ended 31 March, 2025, prepared in accordance with Schedule- III (Division-III) of the Act, as amended, requirements of IND AS 1 - 'Preparation of financial statements' and other applicable IND AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Limited)

(All amounts in INR Millions, unless otherwise stated)

Annexure VI - Statement of adjustments to the audited financial statements (continued)

Part B : Non Adjusting Items

Certain statements/comments included in the CARO on the financial statements of the Company for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 which do not require any adjustments in the Restated Financial Information are reproduced below.

Annexure to Auditor's Report for the year ended 31 March 2025

Clause vii(b) of CARO, 2020 Order

The particulars of statutory dues referred to in sub-clause (a) as at 31 March 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Disputed Amount as per order (₹ in millions)	Amount Paid under protest (₹ in millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Goods and Services Act, 2017	Goods and Services Tax	3.61	0.17	FY 2017-18	GST Appellate Authority	Nil
		9.13	0.47	FY 2019-20		
		1.93	0.10	FY 2020-21		
		0.68	-	FY 2020-21		

Annexure to Auditor's Report for the year ended 31 March 2024

Clause vii(b) of CARO, 2020 Order

The particulars of statutory dues referred to in sub-clause (a) as at 31 March 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Goods and Service Tax, 2017	Tax demand	3.61	Jul 2017 - Mar 2018	Appeal to Appellate Authority	Nil

Annexure to Auditor's Report for the year ended 31 March 2023

Nil

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No: 301112E/E300264

For and on behalf of Board of Directors of

Credila Financial Services Limited

(Formerly HDFC Credila Financial Services Limited)

CIN No: U67190MH2006PLC159411

Sharad Agarwal

Partner

Membership No: 118522

Damodarannair Sundaram

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Partner

Membership No: 129389

Manjeet Bijlani

Chief Financial Officer

(ACA - 102472)

Karishma Jhaveri

Company Secretary

(ACS - 25932)

Place:- Mumbai

Date: 09 June 2025

Place:- Mumbai

Date: 09 June 2025

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the Fiscals 2025, 2024 and 2023, respectively together with all the annexures, schedules and notes thereto (“**Audited Financial Statements**”), is available on the website of our Company.

Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute a part of: (i) this Updated Draft Red Herring Prospectus – I; (ii) the Red Herring Prospectus; or (iii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document 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 or any entity in which its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain. None of the advisors, nor the BRLMs, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As on/ For the Fiscal 2025	As on/ For Fiscal 2024	As on/ For Fiscal 2023
Basic Restated Earnings per Equity Share (₹)	47.80	33.83	20.56
Diluted Restated Earnings per Equity Share (₹)	47.69	33.81	20.47
Return on Net Worth ⁽¹⁾ (%)	14.41	14.14	14.54
Net Asset Value Per Equity Share ⁽²⁾ (₹)	397.39	281.49	164.76
Earnings before interest, tax, depreciation and amortisation (“ EBITDA ”) ⁽³⁾ (₹ in million)	42,371.81	24,508.04	11,902.68

Notes:

The ratios have been computed as under:

1. Return on Net Worth is calculated as restated net profit after tax for the year divided by average the net worth or the relevant fiscal. Net worth means aggregate of equity share capital and other equity as at the end of the relevant fiscal as per the Restated Financial Information.
2. Net Asset Value per equity share = Net worth at the end of the year divided by the number of Equity Shares outstanding at the end of the relevant year.
3. EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income for the relevant year.

Reconciliation of non-GAAP measures

For details of reconciliation for the non-GAAP financial measures, for the Financial Years ended March 31, 2025, March 31, 2024, and March 31, 2023, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 439.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Financial Information included herein as of and for the Financial Years 2025, 2024 and 2023, including the related notes, schedules and annexures. Our Restated Financial Information is based on our audited financial statements, prepared in accordance with Ind AS and restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note. Ind AS differs in certain material respects from IFRS and US GAAP. See “Risk Factors – External Risk Factors – Risks Related to India – Significant differences exist between Ind AS and other accounting principles, such as Indian Generally Accepted Accounting Principles (Indian GAAP), U.S. Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards, which may be material to investors’ assessments of our financial condition” on page 85.

Our Financial Year commences on April 1 and ends on March 31 of each year, and all references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information.

*Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled “Report on Education Financing Industry in India” dated June 26, 2025 (the “**Industry Report**”), prepared and released by Redseer Strategy Consultants Private Limited, which has been paid for and commissioned by our Company pursuant to an engagement letter dated November 12, 2024, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer. The Industry Report will be made available on the website of our Company at <https://credila.com/about/investor-relation.html> in accordance with applicable laws. The data included herein includes excerpts from the Industry Report and may have been re-ordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer) that have been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant financial year. See “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” and “Risk Factors — Internal Risk Factors — We have referred to data derived from an industry report commissioned and paid for by our Company exclusively for the purpose of the Offer” on pages 23 and 77, respectively.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under “Forward-looking Statements” and “Risk Factors” on pages 28 and 42.

Overview

Founded in 2006, we are an Indian education finance company focused on providing education loans to Indian students pursuing higher education in India and overseas. We are a non-deposit taking NBFC registered with the RBI and classified as a “middle layer” NBFC under the NBFC Scale Based Regulations with a focus on education finance and offering loans for higher education to Indian students. Our mission is to empower aspiring students to realize their dreams of higher education, with a vision to transform lives.

We primarily provide loans to students pursuing master’s programs in the STEM domain, MBA, undergraduate programs, and students enrolled in diploma programs, professional degrees, certificate courses and executive and technical programs. As of March 31, 2025, all of our loans are retail education loans, and 94.65% and 5.35% of our AUM was attributable to students pursuing higher education overseas and in India, respectively.

Since incorporation and until March 31, 2025, we provided education loans to Indian students studying in 64 countries, offering secured and unsecured loans with an average sanction ticket size of ₹3.59 million per loan disbursed during the Financial Year 2025, loan terms ranging from 10 to 15 years and an average behavioural tenor of six to seven years. In addition, set out below are the details of the number of countries in which Indian students (who are our borrowers) are studying or have studied, (since our incorporation) and the average sanctioned ticket size per loan disbursed, each as of and for the years indicated:

Particulars	As of and for the Financial Year		
	2025	2024	2023
Number of countries in which borrowers are studying or have studied (since incorporation)	64	63	59
Average sanctioned ticket size (₹ in million)	3.59	3.50	3.24

The increasing demand for overseas education is driven by various factors, including aspirations for higher quality education, wider range of career prospects, and access to globally recognized academic programs (Source: *Industry Report*). Additionally, ageing populations in developed countries have led to a growing reliance on international students to support labour markets. Further, universities and colleges in these countries increasingly depend on international students to address declining domestic enrollments and supplement their revenue streams (Source: *Industry Report*). Historically, the United States of America, Canada, the United Kingdom and Australia have been the preferred destinations for Indian students (Source: *Industry Report*). However, in recent years, there has been growing interest among Indian students to study in other developed countries such as Germany and Ireland, driven by high-quality education providers, immigration-friendly policies, and improved employment opportunities (Source: *Industry Report*).

In addition to our core business of providing higher education loans, we offer a range of value-added services designed to support our borrowers with their broader overseas education needs beyond financing. These services, provided through engagements with external service providers, include life, travel and general insurance products, foreign exchange services, domestic savings account services, international checking account facilitation services, assistance with student accommodation, and guaranteed investment certifications. Our fees and commission income (which is income from these value-added services) for the Financial Years 2025, 2024 and 2023 are set out below:

Particulars	For the Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income
Commission income	1,810.07	3.83	1,013.67	3.66	223.60	1.65
Origination fees	334.31	0.71	149.54	0.54	54.20	0.40
Other fees	41.37	0.09	26.08	0.09	14.49	0.11

We have a pan-India presence with a large and omni-channel distribution network, enabling us to serve a large and diverse pool of borrowers. In addition to our own regional offices and branches, our distribution network comprises of distribution agents (which includes banks and financial institutions) and direct channels (including digital leads and referrals). As of March 31, 2025, we work with 1,672 distribution channels (including financial institutions), with more than a third of our 100 largest distribution channels by disbursements having been with us for over five years. As of March 31, 2025, we have a presence in 41 cities with eight regional offices in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, Ahmedabad and Kolkata, and 32 branches across India.

We have operated under the ‘Credila’ brand, singularly since our incorporation in 2006 and with the use of the “HDFC” name from February 19, 2017, to October 21, 2024. We actively engage with students through informational seminars, webinars, social media platforms, sponsorship of student festivals, and participation in cultural programs at colleges, with an aim to ensure that the ‘Credila’ brand remains in the minds of students when considering education loans for higher education in India and overseas. For students pursuing education overseas, we work with our distribution network to present our education loan offerings. Additionally, we participate in international education fairs, which are often hosted by universities, distribution agents, and marketing agencies. These fairs provide direct access to prospective students, helping us build brand recognition at key decision-making stages in their overseas education journey.

We have a specialized approach to underwriting for education loans resulting from our experience and domain expertise in the overseas and Indian education market across countries, universities and courses. Moreover, more than 91.98% of our AUM as of March 31, 2025 was attributable to borrowers with earning co-borrowers, helping us maintain high asset quality. Our Gross Stage 3 Loans as of March 31, 2025 was 0.19%, and our Gross Non-Performing Assets for our EMI portfolio as of March 31, 2025 was 0.59%. To ensure the quality and performance of our portfolio, we have developed an early-warning signal model that utilises machine learning to identify potential stress and trigger timely remedial actions. Moreover, our proactive monitoring mechanisms are designed to ensure timely repayments and prevent delinquencies.

We have a comprehensive risk management framework to identify, assess, and monitor risks across credit,

financial, operational, and information security areas. Key elements include a risk and control self-assessment framework, quarterly PESTLE reports to track macroeconomic trends, a country risk index evaluating geopolitical, economic and socio-educational factors, and a risk appetite statement with more than 40 key indicators across strategic and operational risks.

We have a well-funded and diversified liability profile which enables us to access a broad spectrum of funding sources at competitive costs and maintain a high level of liquidity. As of March 31, 2025, we had total outstanding borrowings other than debt securities (excluding borrowings outside India of ₹71,503.80 million) of ₹242,341.53 million from 29 banks and financial institutions. We follow a conservative and prudent approach to asset-liability management, aiming to closely align the tenor of our assets and liabilities. Our loans, i.e., our assets, are offered at variable interest rates and we seek to match our assets and liabilities, to the extent possible, in order to reduce our interest rate risks. We currently have a credit rating of AA+ from CRISIL and AA from CARE and ICRA for our long-term financial instruments. This is the highest among our peers and reflective of our strong business model, robust asset quality and sound capitalization (Source: *Industry Report*). These ratings have been achieved as a standalone entity, subsequent to the change of control of our Company from HDFC Bank Limited to a member of the EQT Group in March 2024.

We have a professional and experienced management team led by our distinguished board of directors. Our Managing Director and CEO, Arijit Sanyal, has over 21 years of experience in the banking and financial services sectors and was previously the head of strategic planning and new initiatives at erstwhile HDFC Limited. Our institutional shareholders include HDFC Bank Limited and HDFC Life Insurance Company Limited as well as a member of the EQT Group, affiliates of ChrysCapital, and Shinhan Bank, a South Korean financial institution. We benefit from their capital sponsorship and professional experience. Also see “*Our Promoter and Promoter Group*” on page 314.

Our 12-member board of directors brings together a diverse skill set, including financial, regulatory, operational, and strategic expertise, ensuring leadership and oversight across all facets of our business. Additionally, our association with the HDFC group for 14 years has shaped our business ethos and governance standards, which are our core principles. Furthermore, our team currently includes 18 former employees of erstwhile HDFC Limited, with eight holding senior positions, and five of our 19 vice presidents were also formerly employed at erstwhile HDFC Limited, reinforcing our commitment to maintaining recognized standards in business conduct and operations.

Significant Factors Affecting our Results of Operations

Dependence on global macroeconomic trends

As an Indian education NBFC focused on providing education loans to Indian students pursuing higher education in India and overseas, our operations are closely tied to global macroeconomic factors such as immigration policies, post-study work visa regulations, and international employment opportunities. These elements significantly influence the demand for education in India and overseas, education loans and the repayment capacity of borrowers following completion of the course of study. Restrictive immigration policies or economic slowdowns in markets such as the United States, United Kingdom and Canada could deter Indian students from pursuing higher education overseas, adversely affecting our business.

As of March 31, 2025, we provided education loans to Indian students studying in 64 countries and have expanded our portfolio to countries such as Germany and Ireland, among others. These markets offer high-quality education, immigration-friendly policies, and strong employment prospects, enabling us to cater to diverse borrower needs. Our diversified loan portfolio, with 51.54% AUM exposure to borrowers studying in the United States, 18.84% to borrowers studying in the United Kingdom and 11.99% to borrowers studying in Canada, as of March 31, 2025, is aimed to provide a hedge against region-specific geopolitical and macroeconomic conditions including stringent visa issuance policies or a decline in admission flows in any single geography. Moreover, this diversification reduces our dependence on specific markets, enhances resilience to global disruptions, and positions us to adapt effectively to evolving macroeconomic conditions.

Our ability to execute our growth strategies

Our operations are significantly influenced by our ability to execute our strategic initiatives that drive sustainable growth. This includes strengthening our relationships with overseas universities and enhancing brand awareness in India, expanding our footprint within the education ecosystem, and increasing penetration in established and

emerging markets. Addressing the evolving needs of Indian students, we aim to grow our domestic education loan portfolio by financing undergraduate and postgraduate programs, as well as professional courses offered by leading and emerging educational institutions. We also plan to evaluate and offer customized financial products for foreign university campuses in India and dual-country programs provided by reputed institutions.

As a key contributor to the education ecosystem, we actively engage with academic counsellors to provide students and parents with relevant and timely information, ensuring informed decision-making. Beyond financing, we offer value-added services such as insurance, foreign exchange solutions, and student accommodation assistance. These initiatives create flywheel benefits by reinforcing our position as an education loan provider, thereby enabling us to grow our Gross Loans.

Shifting trends in education, such as the rising demand for STEM programs and overseas education, directly impact our operations and guide our strategic priorities. To capitalize on these trends, we continuously adapt our product offerings and invest in value-added services through third-party providers, such as insurance, foreign exchange solutions, and student accommodation. These efforts not only enhance customer satisfaction but also position us as a comprehensive education finance provider, enabling us to remain competitive in a dynamic market. We expect that our financial condition and results of operations will continue to depend on the successful execution of our business strategies.

Our ability to maintain a well-funded and diversified liability profile and address fluctuations in interest rates

We aim to maintain a well-funded and diversified liability profile, which enables us to access a broad spectrum of funding at competitive costs and maintain a high level of liquidity. We follow a conservative and prudent approach to asset-liability management to minimize asset liability mismatch. Set out below are details of our average cost of borrowings, proportion of floating rate borrowings and net interest margin as of the dates and for the financial years indicated:

Particulars	As of and for the Financial Year		
	2025	2024	2023
Cost of Quarterly Average Borrowings ⁽¹⁾ (%)	8.85	8.63	7.81
Floating rate borrowings (%)	80.74	78.74	67.10
Net Interest Margin on Quarterly Average Interest Earning Assets ⁽²⁾ (%)	3.95	3.85	4.13

(1) *Cost of Quarterly Average Borrowings is the ratio of finance cost to Average Total Borrowings for the relevant year. Average Total Borrowings is the average of our Total Borrowings outstanding as at the beginning of the relevant year and at end of each of the quarters during the relevant year.*

(2) *Net Interest Margin on Quarterly Average Interest-earning Assets is the ratio of Net Interest Income to Average Interest Earning Assets for the relevant year. Average Interest-earning Assets represent the average of Total Interest-Earning Assets as at the beginning of the relevant year and at end of each of the quarters during the relevant year.*

Our diversified and cost-effective liability profile reflects our financial stability and operational flexibility. Our financing requirements have historically been met from several sources, including from proceeds of term loans, commercial paper, non-convertible debentures and external commercial borrowings. By maintaining relationships with a large number of banks and financial institutions, we are able secure funding at competitive costs. The number of our lending relationships has increased from 19 as of March 31, 2023, to 25 as of March 31, 2024, and 29 as of March 31, 2025, reducing our dependence on any single lender or market. We have also diversified our liability mix, with 18.40% of our total borrowings being raised through borrowings outside India. In August 2024, our Company successfully raised its first social loan. Initially set at \$300 million, strong demand from global investors led us to exercise a greenshoe option, increasing the total issue size to \$512 million in March 2025, with participation from 15 international banks. Further, as of March 31, 2025, we were well-diversified in terms of our debt security holders, with 33.22% held by pension funds, 21.98% held by insurance companies, 4.73% held by banks and 29.76% held by mutual funds, with the remaining 10.31% held by other investors. We have also completed our first direct assignment transaction of ₹1,034.73 million in the Financial Year 2025 to further strengthen our funding diversification.

Our strong credit ratings of AA+ from CRISIL and AA from CARE and ICRA further supports our cost-effective access to capital, reflecting our robust business model, strong asset quality, and prudent financial management. Additionally, we employ effective interest rate hedging strategies and maintain a diversified liability mix, minimizing our exposure to market volatility. By aiming to closely align the tenor and interest rate structures of our assets and liabilities, we seek to manage potential mismatches effectively, optimizing both liquidity and cost efficiency.

Our ability to maintain our asset quality by effectively managing risk

Our operations are significantly influenced by our commitment to maintaining superior asset quality, achieved through specialised underwriting and advanced risk management frameworks. Our proprietary early warning signals model leverages machine learning and enables proactive identification of potential risks by analyzing borrower behavior, payment patterns, credit bureau data, and macroeconomic trends. This allows us to deploy targeted strategies to ensure timely repayments, reducing delinquencies and preserving the health of our loan portfolio. A substantial portion of the loans we provide are unsecured, exposing us to the risk of non-recovery of our loans. While unsecured loans are primarily subject to credit risk due to the absence of collateral, we manage such risk through our robust underwriting processes, early warning signals model and monitoring frameworks.

Delinquencies are an important indicator of the credit quality of our loan book, and several factors can impact borrower delinquencies. This includes economic conditions such as inflationary or recessionary environments, pandemics, immigration regulation changes and personal circumstances, among others. Our ability to manage the credit quality of our loans, which we measure through delinquency categories, including Stage 3 loans (which are loans that are classified as significantly impaired under our Restated Financial Information), non-performing assets (“NPAs”) and overdue loans, is a key driver of our results of operations. Our provisioning policies are designed to absorb potential loan losses, contributing to Gross Stage 3 Loans of 0.19% as of March 31, 2025, and Gross Non-Performing Assets for our EMI-paying loan book of 0.59% as at March 31, 2025. Our Gross Stage 3 Loans include Total Gross Loans aggregating to ₹169.00 million which were associated with certain fraud cases identified and reported to the RBI during the Financial Year 2025. Upon excluding this amount, our Gross Stage 3 Loans (%) as of March 31, 2025, would have been 0.15%. Moreover, more than 91.98% of our AUM as of March 31, 2025 was attributable to borrowers with earning co-borrowers, helping us maintain superior asset quality. These measures, along with continuous refinement of our risk assessment methodologies, ensure that we are well-positioned to navigate economic fluctuations and sustain financial stability. Also see “*Risk Factors – Our cumulative write-offs from inception until March 31, 2025 aggregated to ₹96.95 million and as of such date, we maintained a provision coverage ratio of 65.01%, Gross Stage 3 Loans of 0.19% and Net Stage 3 Loans of 0.07%. Any deterioration in the credit quality of our loans could adversely affect our business, results of operations, financial condition and cash flows*”, “*Risk Factors – 81.12% of our AUM as of March 31, 2025 was unsecured and susceptible to certain operational and credit risks, which may have an adverse effect on our business, results of operations, financial condition and cash flows*” and “*Risk Factors – We depend on the accuracy and completeness of information provided by our borrowers. Any misleading information provided to us by our borrowers or attempt to defraud us may affect our assessment of their credit worthiness, which could have an adverse effect on our business, results of operations, financial condition and cash flows. We have encountered an incident of fraud and misrepresentation by borrowers during the Financial Year 2025 and recognized a write-off of ₹44.80 million and a provision of ₹169.00 million in our statement of profit and loss in this regard*” on pages 47, 47 and 49, respectively.

Government initiatives and regulatory environment

We are influenced by the evolving regulatory landscape and government initiatives within the highly regulated NBFC sector in India. Government policies promoting higher education, financial inclusion, and student mobility create a supportive framework for growth. Moreover, government-backed schemes such as interest subsidies on education loans and reforms aimed at increasing access to financing have enhanced demand for our services. These initiatives align with our mission to empower students and expand access to education financing.

We are the only NBFC in India to be notified as an eligible financial institution for the purpose of Section 80E of the Income-Tax Act, 1961 which allows borrowers to avail benefits of income tax deductions in respect of the interest paid by them on their education loans, subject to prescribed conditions.

Regulatory changes, including adjustments to loan provisioning norms, capital adequacy requirements, or interest rate caps, could impact our operational flexibility and profitability. Additionally, sector-specific compliance requirements and evolving standards for risk management pose operational challenges. To manage such risks, we maintain proactive engagement with regulatory authorities, participate in industry forums, and implement robust compliance mechanisms to ensure alignment with regulatory expectations. We also aim to maintain an adequate cover over capital adequacy and liquidity requirements and work to implement any observations or directions received from the RBI in a timely manner.

As per the NBFC Scale Based Directions, we are required to maintain a minimum capital ratio consisting of Tier I capital and Tier II capital of not less than 15% of our aggregate risk weighted assets on-balance sheet and of risk

adjusted value of off-balance sheet items. As we continue to grow our loan portfolio and asset base, we may be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable regulatory capital to risk weighted assets ratio. As of March 31, 2025, 2024 and 2023, our capital to risk weighted assets ratio was 21.81%, 20.45% and 20.42%, respectively.

Technology investments to drive digital transformation

Our investments in technology are integral to the profitability, efficiency, scalability, and resilience of our operations. By implementing advanced digital systems, we streamline loan origination, processing, and collections, significantly reducing turnaround times and enhancing operational efficiency. Data analytics, machine learning, and artificial intelligence enable us to generate actionable insights, improving credit decision-making, portfolio management, and risk mitigation. These technological advancements also strengthen our ability to monitor and address potential risks, such as borrower delinquencies, through predictive modelling and early warning systems. Moreover, our focus on cybersecurity and system robustness ensures the integrity and reliability of digital operations, which is critical for maintaining regulatory compliance and customer trust. Collectively, these efforts enhance our ability to respond to market demands, manage risks effectively, and support sustainable growth.

Summary of Material Accounting Policies

Set out below is a summary of our material accounting policies in accordance with Ind AS 1:

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest income - EIR method

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the EIR applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or where appropriate a shorter period to the carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees received and commission 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 measured at FVTPL, transaction costs are recognised in statement of profit and loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECL).

Net Gain or Loss on Fair Value Changes

The gain/loss on mutual fund is recognised in the statement of profit and loss in net gain on fair value changes as and when units of mutual funds are sold. The unsold units of mutual funds are fair valued on reporting date and unrealised gain/loss is recognised in the statement of profit and loss in net gain on fair value changes.

For qualifying fair value hedges, the cumulative change in the fair value of hedging derivatives is recognised in the statement of profit and loss in net gain on fair value changes. The corresponding change in the fair value of the hedged item attributable to the hedge risk component (interest rate) is also recognised in the statement of profit and loss in net gain on fair value changes.

Commission income

Income from commission includes [i] fees received from the authorised dealers on referral for foreign exchange

services, [ii] income on sourcing of insurance business and [iii] income on sourcing of other financial products. We recognise commission income in accordance with the terms of the relevant agreement and when it is probable that we will collect the consideration.

Income on derecognised (assigned) loans

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

Other fees

Other fees represent documentation charges, ACH/ECS swap charges, cheque bouncing charges, prepayment charges, penal interest charges and these are recognised as income when the amounts become due and there is no uncertainty in realisation.

Financial instruments

Recognition and Initial Measurement

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e. the date that we become a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. We recognise debt securities and borrowings when funds are received by us.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities designated at FVTPL are recognised immediately in statement of profit and loss.

Classification and subsequent measurement

Financial Assets

We classify and measure all of our financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit and loss ("FVTPL").

Business model assessment

We determine the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. Our business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

We consider all relevant information and evidence available when making the business model assessment.

At initial recognition of a financial asset, we determine whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. We reassess our business models at each reporting period to determine whether the business models have changed since the preceding period.

- **Amortised cost**

We measure cash and bank balances, loans, trade receivables and other financial assets at amortised cost if the following condition is met:

Financial Assets that are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and that have contractual cash flows that are SPPI.

Solely Payments of Principal and Interest (“SPPI”) Test

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meets the SPPI test on the principal outstanding.

To make the SPPI assessment, we apply judgement and consider relevant factors such as the nature of portfolio, the period for which the interest rate is set and other factors which are integral to a lending arrangement.

- **Fair value through other comprehensive income**

We classify and measure certain debt instruments at FVOCI when the investments are held within business model, the objective of which is achieved by both, collecting contractual cash flows and selling the financial instruments and the contractual terms of the financial instruments meet the SPPI test. We measure investments in Government and other debt securities, held for the purpose of maintaining the Liquidity Coverage Ratio required by RBI guidelines, at FVOCI.

- **Fair Value through Profit and Loss**

Financial assets at FVTPL are:

- assets with contractual cash flows that do not meet the SPPI test; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in our statement of profit and loss.

Subsequent measurement and gains and losses

We assess the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and our business model for managing the asset.

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt Instruments at FVOCI	These assets are subsequently measured at fair value. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI is recycled to statement of profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial liabilities and equity instruments

- **Classification as debt or equity**

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

- **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by us are recognised at the face value and proceeds received in excess of the face value are recognised as Securities Premium.

- **Financial Liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to us or a contract that will or may be settled in our own equity instruments and is a non-derivative contract for which we are or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of our own equity instruments.

Financial liabilities are classified as measured at amortised cost including the NCDs and Subordinated debts which are designated as hedged items and fair valued to the extent of hedge risk component (interest rate).

Subsequent measurement and gains and losses

Financial liabilities, which are classified as measured at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

Undrawn commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, we are required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the first tranche loan draw down till the study period is over or the amount is fully drawn down, whichever is earlier. Undrawn loan commitments form part of the exposure at default considered for the ECL provisions.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECL are disclosed in the notes above.

Modification and derecognition

Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

We provide education loans and some of the terms and conditions of these loans are based on future conditions that are envisaged at the time of the sanctioning / disbursement of the loan, e.g. Study period is based on selection of course / terms and actual completion of study. Due to these conditions, the amount, tenure, etc. of the cash flows from the loans may undergo changes till the starting of EMI on the loan. The change in terms till such time are not considered as modification of financial assets since these are as per the original terms of the loan.

Where a modification does not lead to derecognition, we calculate and recognise in the statement of profit and loss, the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance).

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when we have a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial Liabilities

We derecognise financial liabilities when, and only when, our obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

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 statement of profit and loss.

Impairment

We recognise allowances for ECL for loans to customers, other debt financial assets not measured at FVTPL, along with loan commitments issued, together referred to as ‘financial instruments’. Equity instruments are not subject to impairment.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

For certain loans that do not have significant payment obligations in the next 12 months, we use a higher period instead of 12 months to determine the ECL applicable on such loans till the time significant payment obligations are due in the next 12 months. We continue to classify these loans as Stage 1 based on its credit risk on the reporting date.

At each reporting date, we assess whether financial assets carried at amortised cost are credit impaired or whether the credit risk on that financial asset has increased significantly since the initial recognition. A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL, subject to the above exception.

We have established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, we categorise our loans into Stage 1, Stage 2 and Stage 3, as described below:

- *Stage 1:* When loans are first recognised, we recognise an allowance based on 12-month ECL. Stage 1 loans also include facilities where the credit risk has 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, we record an allowance for the lifetime expected credit loss. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- *Stage 3:* Loans considered credit-impaired. We record an allowance for the lifetime expected credit loss.

For financial assets for which we have no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

Measurement of expected credit losses

We measure ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. We calculate ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the portfolio EIR. A cash shortfall is the difference between the cash flows that are due to us, in accordance with the contract and the cash flows that we expect to receive.

When estimating ECL for undrawn loan commitments, we estimate the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected

shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (“PD”) is the probability of whether the borrowers will default on their obligations in the future which is calculated based on historical default rate summary of past years using the Roll Rate analysis.

The Exposure at Default (“EAD”) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and expected drawdowns on committed facilities after considering the expected disbursement.

The Loss Given Default (“LGD”) is an estimate of the loss from a financial asset given that a default occurs. The LGD is computed using our own loss and recovery experience. It is usually expressed as a percentage of the EAD.

Significant increase in credit risk

We monitor all financial instruments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, we will measure the loss allowance based on lifetime rather than 12-month ECL. Our accounting policy on loans is not to use the practical expedient for financial assets that financial assets with ‘low’ credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, we monitor all financial assets, in the nature of loans and issued loan commitments that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, we compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, we consider qualitative information that is reasonable and supportable, including our historical experience and forward-looking information that is available without undue cost or effort, including future prospects of general economic conditions based on forecasts of economic information.

As a back-stop when an asset becomes more than 30 days past due, we consider that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Credit-impaired financial assets

A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loan due to financial difficulty of the borrower;
- bankruptcy of the borrower.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the PD which affects both the measurement of ECL and the identification of a significant increase in credit risk.

We consider the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to us; or
- the borrower is unlikely to pay its credit obligations to us in full.

When assessing if the borrower is unlikely to pay its credit obligation, we take into account both qualitative and quantitative indicators. Quantitative indicators such as overdue status and non-payment on another obligation to us by the same counterparty are key inputs in this analysis.

Trade receivables and contract assets

We follow 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require us to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. We use a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

Collateral valuation and repossession

To mitigate the credit risk on financial assets, we seek to use collateral, where possible as per the Board approved Credit Policy. We provide fully secured, partially secured and unsecured education loans to individuals. The parameters relating to acceptability and valuation of each type of collateral is a part of our Credit Policy.

In case of delinquent customers, we liquidate the collateral assets and recover the amount due against the loan. Any surplus funds are returned to the customers/obligors.

Write-off

Loans and debt securities are written off when we have no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when we determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. We may apply enforcement activities to financial assets written off. Recoveries resulting from the our enforcement activities could result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and
- for loan commitments: as a provision.

Derivative Financial Instruments

We enter into a variety of derivative financial instruments to manage its exposure to foreign exchange risk and interest rate risk. Derivatives held include principal only swaps and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. We designate certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge Accounting

We make use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, we apply hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, we formally designate and document the hedge relationship to which we wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes our risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how we would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain on fair value changes.

We classify a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, we discontinue hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationships is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income ("OCI") within other equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI upto that time remains in OCI and is recognised in the statement of profit and loss when the underlying hedged item is matured/expired. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with

an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost in the balance sheet.

Property, plant and equipment (“PPE”)

Recognition and measurement

PPE is recognised when it is probable that future economic benefits associated with the item are expected to flow to us and the cost of the item can be measured reliably. Advances paid in respect of PPE are presented under other non-financial assets. PPE held for use are stated in the balance sheet at original cost net of tax / duty credits availed, less accumulated depreciation and accumulated impairment losses. Administrative or other general overhead expenses and borrowing costs that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the PPE.

PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as “capital work-in-progress”.

Depreciation

Depreciation is recognised using straight line method so as to write off the cost of the assets less their residual values over their estimated useful lives as specified in Schedule II to the Act or in case of assets where the estimated useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life / residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. The useful life of the property, plant and equipment held by us is as follows:

Class of assets	Useful life
Computers*	4 years
Furniture & Fittings	10 years
Office Equipment	5 years
Motor Cars used other than those used for business of running them on hire	8 years

** For the above class of assets, based on technical advice and the internal assessment done, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.*

Leasehold improvement is amortised over the remaining duration of the leases.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to us and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Intangible assets not ready for use on the date of Balance Sheet is disclosed as ‘Intangible assets under development’.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Impairment of non-financial assets

As at the end of each reporting period, we review the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Employee benefits

Short term employee benefits

The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident fund

Our contribution paid / payable during the year towards provident fund is charged to statement of profit and loss every year. In accordance with the applicable law, all our employees are entitled to receive benefits under the Provident Fund Act, 1952. We contribute an amount on a monthly basis at a determined rate to the pension scheme administered by the Regional Provident Fund Commission ("RPFC").

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity and other post-retirement benefits

Our net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity is a defined benefit plan. The cost of providing benefits is determined annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for us, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. We determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss in curtailment is recognised immediately in statement of profit and loss. We recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability and at the present value of the defined benefit obligation as at the balance sheet date as determined basis Actuarial valuation. The same is charged to the statement of profit and loss.

Share-based Payment Arrangements

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. We measure the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date. Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to our Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

In case of accelerated vesting, the balance amount of fair value of the options is accounted as employee compensation cost on the date of accelerated vesting.

On cancellation / settlement of options, any compensation paid is accounted as deduction from employee stock option reserve upto the fair value of options and any excess is recognised as an expense.

Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- we have a present obligation (legal or constructive) as a result of a past event; 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

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in other equity).

Current tax

Current income taxes are determined based on our taxable income. Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted by the balance sheet date.

Off-set of Current tax assets and tax liabilities

Our current tax assets and liabilities are offset only if:

- we have a legally enforceable right to set off the recognised amounts; and
- we intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Goods and services tax input credit

Goods and services tax input credit asset is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Borrowing costs

Borrowing costs include interest expense calculated using the EIR method and finance charges in respect of assets acquired on finance lease. EIR includes interest and amortization of ancillary cost incurred in connection with the borrowing of funds.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign currencies

Transactions in currencies other than our functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary assets and liabilities are reported at the prevailing closing spot rate. Non-monetary assets and liabilities that are measured based on

historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

Segments

Our main business is providing education loans for higher education in India and abroad. All our other activities revolve around the main business. This in the context of Ind AS 108 – Operating Segments reporting is considered to constitute one reportable segment.

Earnings per share (“EPS”)

Basic EPS is calculated by dividing the profit or loss that is attributable to our ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- funding related commitment to associate and joint venture companies; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Lease accounting

We follow Ind AS 116 Leases for all long term and material lease contracts.

Measurement of lease liability

At the time of initial recognition, we measure lease liability as present value of all lease payments discounted using our incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is:

- increased by interest on lease liability;
- reduced by lease payments made; and
- remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 Leases, or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, we measure ‘Right-of-use assets’ as present value of all lease payments discounted using our incremental cost of borrowing with respect to said lease contract. Subsequently, ‘Right-of-use assets’ is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 Leases.

Depreciation on ‘Right-of-use assets’ is provided on straight line basis over the lease period. The exception permitted in Ind AS 116 Leases for low value assets and short term leases has been adopted by us, wherever applicable.

Servicing of Assets / Liabilities

We transfer loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if we transfer substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on derecognition of a financial asset under assigned transactions for a fee, we recognise the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and correspondingly create a service asset in balance sheet.

We recognise either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate us adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in our Statement of Profit and Loss.

Components of Profit and Loss Statement

Income. Total income comprises revenue from operations and other income.

Revenue from Operations. Revenue from operations comprises interest income, fees and commission income, net gain on fair value changes and net gain on derecognition of financial instruments under amortised cost category

Interest income primarily comprises (a) interest income on financial assets measured at amortised cost for (i) interest on education loans, (ii) interest on fixed deposits with banks, and (iii) other interest income; and (b) interest income from investments.

Fees and commission income comprises commission, origination fees, and other fees.

Other Income. Other income primarily comprises profit on sale of fixed assets, income tax refunds and miscellaneous receipts.

Expenses. Total expenses comprise finance costs, impairment on financial instruments, employee benefits expense, depreciation and amortisation expenses and other expenses.

Finance Costs. Finance costs comprises of interest on debt securities, borrowings (other than debt securities), subordinated liabilities, lease liabilities, and other charges incidental to borrowings.

Impairment of Financial Instruments. Impairment of financial instruments comprises expected credit loss on loans, undisbursed commitments in relation to loans and trade receivables.

Employee Benefits Expense. Employee benefits expense comprise of salaries and bonus, employees share based payments expenses, contribution to provident fund, gratuity, compensated absences, and staff welfare expenses

Depreciation and Amortisation Expense. Depreciation and amortisation expenses comprise depreciation on property, plant and equipment and amortisation of intangible assets and right of use of assets.

Other Expenses. Other expenses comprise advertisements and publicity, computer expenses, outsourcing charges, legal and professional charges, auditor's fees and expenses, communication costs, travelling and conveyance, printing and stationery, electricity expenses, rent, repairs and maintenance, rates and taxes, directors' sitting fees and commission, directors' liability insurance, loss on property, plant and equipment sold or discarded, corporate social responsibility expenses, and other expenditure.

Our Results of Operations

The following table sets out select financial data for the Financial Years 2025, 2024 and 2023, the components of which are also expressed as a percentage of total income for the relevant Financial Years:

Particulars	Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	(% of total income)	Amount (₹ in millions)	(% of total income)	Amount (₹ in millions)	(% of total income)
Income						
<i>Revenue from operations</i>						
(a) Interest income	44,666.07	94.51	26,209.91	94.59	13,158.40	97.31
(b) Fees and commission income	2,185.75	4.62	1,189.29	4.29	292.29	2.16
(c) Net gain on fair value changes	279.65	0.59	311.19	1.12	71.05	0.53

Particulars	Financial Year					
	2025		2024		2023	
	Amount (₹ in millions)	(% of total income)	Amount (₹ in millions)	(% of total income)	Amount (₹ in millions)	(% of total income)
(d) Net gain on derecognition of financial instruments under amortised cost	65.84	0.14	-	-	-	-
Total revenue from operations (I)	47,197.31	99.87	27,710.39	100.00	13,521.74	100.00
Other income (II)	62.69	0.13	0.02	0.00	0.02	0.00
Total income (III = I + II)	47,260.00	100.00	27,710.41	100.00	13,521.76	100.00
Expenses						
(a) Finance costs	28,934.43	61.22	17,310.23	62.47	8,132.77	60.15
(b) Impairment on financial instruments	1,465.42	3.10	497.85	1.80	101.05	0.75
(c) Employee benefit expense	1,579.41	3.34	1,469.38	5.30	874.39	6.47
(d) Depreciation and amortisation	240.36	0.51	114.16	0.41	67.87	0.50
(e) Other expenses	1,780.67	3.77	1,235.12	4.46	643.61	4.76
Total expenses (IV)	34,000.29	71.94	20,626.74	74.44	9,819.69	72.62
Restated profit before tax (V = III - IV)	13,259.71	28.06	7,083.67	25.56	3,702.07	27.38
Tax expense						
- Current tax	3,275.07	6.93	1,819.70	6.57	1,063.22	7.86
- Deferred Tax	85.06	0.18	(24.42)	(0.09)	(120.40)	(0.89)
Total tax expense (VI)	3,360.13	7.11	1,795.28	6.48	942.82	6.97
Restated net profit after tax (VII = V - VI)	9,899.58	20.95	5,288.39	19.08	2,759.25	20.41

Financial Year 2025 compared to Financial Year 2024

Total Income

Our total income increased by 70.55% to ₹47,260.00 million for the Financial Year 2025 from ₹27,710.41 million for the Financial Year 2024, which was primarily attributable to increases in our revenue from operations and other income.

Revenue from Operations: Total revenue from operations increased by 70.32% to ₹47,197.31 million for the Financial Year 2025 from ₹27,710.39 million for the Financial Year 2024. The increase in our revenue from operations was primarily attributable to increases in:

- (a) interest income to ₹44,666.07 million for the Financial Year 2025 from ₹26,209.91 million for the Financial Year 2024, on account of increases in:
 - a. financial assets measured at amortised cost to ₹43,428.11 million for the Financial Year 2025 from ₹25,747.12 million for the Financial Year 2024, which was mainly attributable to (i) increase in interest on education loans to ₹41,655.75 million for the Financial Year 2025 from ₹25,353.55 million for the Financial Year 2024, on account of on account of increases in our average gross loans and total gross loans attributable to growth in our student loan portfolio across all geographies,, (ii) increase in interest on fixed deposits with banks to ₹1,744.65 million for the Financial Year 2025 from ₹390.25 million for the Financial Year 2024, on account of higher deposits with banks in line with liquidity management, and (iii) increase in other interest income to ₹27.71 million for the Financial Year 2025 from ₹3.32 million for the Financial Year 2024, on account of higher CSA deposits placed on account of derivative transactions;
 - b. financial assets measured at fair value through other comprehensive income, which was attributable to increase in interest income from investments to ₹1,237.96 million for the Financial Year 2025

from ₹462.79 million for the Financial Year 2024, primarily attributable to higher investments in government securities that qualified as high-quality liquid assets, in accordance with our liquidity management policy;

- (b) fees and commission income increased to ₹2,185.75 million for the Financial Year 2025 from ₹1,189.29 million for the Financial Year 2024, (i) increase in commission to ₹1,810.07 million for the Financial Year 2025 from ₹1,013.67 million for the Financial Year 2024, (ii) increase in origination fees to ₹334.31 million for the Financial Year 2025 from ₹149.54 million for the Financial Year 2024, and (iii) increase in other fees to ₹41.37 million for the Financial Year 2025 from ₹26.08 million for the Financial Year 2024;
- (c) Net gain on derecognition of financial instruments under amortised cost of ₹65.84 million in the Financial Year 2025 compared to nil in the Financial Year 2024, due to a direct assignment transaction undertaken with the objective of diversifying our funding resources;
- (d) sales of services, which was primarily due to increases in business volumes, on account of increases in our disbursements to ₹153,088.59 million in the Financial Year 2025 from ₹140,892.15 million in the Financial Year 2024 and the offering of new products, including travel and health insurance, international checking accounts, credit cards and higher conversion for foreign currency exchange and credit cover insurance leads,

which was partially offset by a decrease in net gain on fair value changes to ₹279.65 million for the Financial Year 2025 from ₹311.19 million for the Financial Year 2024, on account of (i) a decrease in our net gain/(loss) on financial instruments at fair value through profit or loss – investments to ₹274.84 million for the Financial Year 2025 from ₹290.41 million for the Financial Year 2024, (ii) a decrease in net gain/(loss) on financial instruments designated at fair value through profit or loss – derivatives of ₹5.31 million for the Financial Year 2025 from ₹20.78 million for the Financial Year 2024, and (iii) a loss on sale of investment reclassified from OCI to ₹0.50 million for the Financial Year 2025 from nil for the Financial Year 2024.

Other Income: Other income stood at ₹62.69 million for the Financial Year 2025 and ₹0.02 million for the Financial Year 2024.

Total Expenses

Our total expenses increased by 64.84% to ₹34,000.29 million for the Financial Year 2025 from ₹20,626.74 million for the Financial Year 2024, primarily due to an increase in finance costs, consistent with the increase in the scale of our business. As a percentage of total income, our total expenses were 71.94% in the Financial Year 2025, as compared to 74.44% in the Financial Year 2024.

Finance Costs: Finance costs increased by 67.15% to ₹28,934.43 million for the Financial Year 2025 from ₹17,310.23 million for the Financial Year 2024, primarily on account of increases in (i) interest on debt securities to ₹4,409.44 million for the Financial Year 2025 from ₹3,326.19 million for the Financial Year 2024, (ii) interest on borrowings (other than debt securities) to ₹22,838.68 million for the Financial Year 2025 from ₹12,544.84 million for the Financial Year 2024, (iii) interest on subordinated liabilities to ₹1,548.66 million for the Financial Year 2025 from ₹1,386.43 million for the Financial Year 2024, (iv) interest on lease liabilities to ₹45.21 million for the Financial Year 2025 from ₹22.79 million for the Financial Year 2024, and (v) other charges to ₹92.44 million for the Financial Year 2025 from ₹29.98 million for the Financial Year 2024.

The increases in finance costs were also attributable to increases in our quarterly average total borrowings to ₹327,009.01 million for the Financial Year 2025 from ₹200,678.03 million for Financial Year 2024, and increases in our quarterly average cost of borrowings to 8.85% in the Financial Year 2025 from 8.63% in the Financial Year 2024, primarily on account of higher borrowings during the year to fund the lending growth. The increase in our overall borrowings was driven by the overall growth of our Gross Loans during the Financial Year 2025.

Impairment on Financial Instruments: Impairment on financial instruments increased significantly to ₹1,465.42 million for the Financial Year 2025 from ₹497.85 million for the Financial Year 2024, primarily on account of increases in impairment on financial assets measured at amortised cost in (i) loans (including ECL on undisbursed commitment) to ₹1,366.38 million for the Financial Year 2025 from ₹483.44 million for the Financial Year 2024 due to increased provisioning pursuant to certain suspected fraud transactions identified during the Financial Year 2025; (ii) loans written off to ₹70.34 million for the Financial Year 2025 from ₹14.41 million for the Financial

Year 2024, primarily due to technical write-offs associated with certain suspected fraud transactions identified during the Financial Year 2025; (iii) trade receivables and other advances to ₹28.70 million for the Financial Year 2025 from nil for the Financial Year 2024, due to provisions made on unsecured receivables outstanding for more than one year.

Employee Benefits Expense: Employee benefits expense increased by 7.49% to ₹1,579.41 million for the Financial Year 2025 from ₹1,469.38 million for the Financial Year 2024. This was primarily attributable to increases in (i) salaries and bonus to ₹1,344.21 million for the Financial Year 2025 from ₹975.45 million for the Financial Year 2024, on account of an increase in the number of full-time employees in our sales, credit and technology functions to support our business growth, (ii) contributions to the provident fund to ₹51.10 million for the Financial Year 2025 from ₹37.11 million for the Financial Year 2024, (iii) staff welfare expenses to ₹45.46 million for the Financial Year 2025 from ₹31.37 million for the Financial Year 2024, (iv) gratuity expenses to ₹31.68 million for the Financial Year 2025 from ₹12.23 million for the Financial Year 2024, and (v) compensated absences expenses to ₹5.36 million for the Financial Year 2025 from ₹2.62 million for the Financial Year 2024. These increases were partially offset by a significant decrease in employees share based payments expenses to ₹101.60 million for the Financial Year 2025 from ₹410.60 million for the Financial Year 2024, due to accelerated vesting of options under the ESOP 2022 (on account of its surrender by employees) during the Financial Year 2024, coupled with the implementation of a new ESOP 2024 in December 2024, leading to reduced employees share based payments expenses during the Financial Year 2025.

Depreciation and Amortisation Expense: Depreciation and amortisation expense increased significantly to ₹240.36 million for the Financial Year 2025 from ₹114.16 million for the Financial Year 2024, primarily due to increases in (i) depreciation on property, plant and equipment and intangible assets to ₹105.37 million for the Financial Year 2025 from ₹24.36 million for the Financial Year 2024, and (ii) amortisation on right-of-use assets to ₹134.99 million for the Financial Year 2025 from ₹89.80 million for the Financial Year 2024. Gross additions in property, plant and equipment, intangible assets and right of use assets aggregated to ₹982.50 million during the Financial Year 2025.

Other Expenses: Other expenses increased by 44.17% to ₹1,780.67 million for the Financial Year 2025 from ₹1,235.12 million for the Financial Year 2024, primarily due to increases in (i) outsourcing charges to ₹379.45 million for the Financial Year 2025 from ₹289.88 million for the Financial Year 2024, on account of an increase in employee headcount, (ii) legal and professional charges to ₹397.33 million for the Financial Year 2025 from ₹364.74 million for the Financial Year 2024, which included underwriting expenses for financial institutions and risk containment units, and increases in technical and legal verification collateral from customers, which was in line with our growth in disbursements, (iii) computer expenses to ₹344.71 million for the Financial Year 2025 from ₹179.54 million for the Financial Year 2024, on account of an increase in digital adoption, (iv) other expenditure to ₹214.30 million for the Financial Year 2025 from ₹114.60 million for the Financial Year 2024, and (v) advertisements and publicity expenses to ₹162.06 million for the Financial Year 2025 from ₹99.15 million for the Financial Year 2024.

Tax Expense: Tax expense increased by 87.16% to ₹3,360.13 million for the Financial Year 2025 from ₹1,795.28 million for the Financial Year 2024. For the Financial Year 2025, we incurred current tax of ₹3,275.07 million and a deferred tax expense of ₹85.06 million. For the Financial Year 2024, we incurred current tax of ₹1,819.70 million and had a deferred tax credit of ₹24.42 million. Our effective tax rate was 25.34% for both of the Financial Years 2025 and 2024.

Restated net profit after tax: Our restated net profit after tax increased by 87.19% to ₹9,899.58 million for the Financial Year 2025 from ₹5,288.39 million for the Financial Year 2024.

Financial Year 2024 compared to Financial Year 2023

Total Income

Our total income increased by 104.93% to ₹27,710.41 million for the Financial Year 2024 from ₹13,521.76 million for the Financial Year 2023, which was primarily attributable to increases in our revenue from operations and other income.

Revenue from Operations: Total revenue from operations increased by 104.93% to ₹27,710.39 million for the Financial Year 2024 from ₹13,521.74 million for the Financial Year 2023. The increase in our revenue from operations was primarily attributable to increases in:

- (a) interest income to ₹26,209.91 million for the Financial Year 2024 from ₹13,158.40 million for the Financial Year 2023, on account of increases in:
- (b)
- (i) financial assets measured at amortised cost to ₹25,747.12 million for the Financial Year 2024 from ₹13,020.28 million for the Financial Year 2023, which was mainly attributable to (i) increases in interest on education loans to ₹25,353.55 million for the Financial Year 2024 from ₹13,013.99 million for the Financial Year 2023, on account of increases in our average gross loans and total gross loans attributable to growth in our student loan portfolio across all geographies, (ii) increases in interest on fixed deposits with banks to ₹390.25 million for the Financial Year 2024 from ₹6.29 million for the Financial Year 2023, on account of higher deposits with banks, and (iii) increases in other interest income to ₹3.32 million for the Financial Year 2024 from nil for the Financial Year 2023, on account of credit support annexure deposits placed in relation to derivative instruments;
 - (ii) financial assets measured at fair value through other comprehensive income, which was attributable to increases in interest income from investments to ₹462.79 million for the Financial Year 2024 from ₹138.12 million for the Financial Year 2023. The increases in interest on fixed deposits and interest income are mainly attributable to improvements in our liquidity upon our transition from the HDFC group, which in turn earned us higher interest income on our investments in government securities that qualify as high-quality liquid assets;
- (c) fees and commission income increased to ₹1,189.29 million for the Financial Year 2024 from ₹292.29 million for the Financial Year 2023, (i) increases in commission to ₹1,013.67 million for the Financial Year 2024 from ₹223.60 million for the Financial Year 2023, (ii) increases in origination fees to ₹149.54 million for the Financial Year 2024 from ₹54.20 million for the Financial Year 2023, and (iii) increases in other fees to ₹26.08 million for the Financial Year 2024 from ₹14.49 million for the Financial Year 2023;
- (d) sales of services, which was primarily due to increases in business volumes, on account of increases of disbursements to ₹140,892.15 million in the Financial Year 2024 from ₹79,917.41 million in the Financial Year 2023 and the offering of new products, including travel and health insurance, international checking accounts, credit cards and higher conversion for foreign currency exchange and credit cover insurance leads; and
- (e) net gain on fair value changes to ₹311.19 million for the Financial Year 2024 from ₹71.05 million for the Financial Year 2023, on account of (i) an increase in our net gain/(loss) on financial instruments at fair value through profit or loss – investments to ₹290.41 million for the Financial Year 2024 from a net gain/(loss) on financial instruments at fair value through profit or loss – investments of ₹96.70 million for the Financial Year 2023, and (ii) an increase in net gain/(loss) on financial instruments designated at fair value through profit or loss – derivatives of ₹20.78 million for the Financial Year 2024 from a net gain/(loss) on financial instruments designated at fair value through profit or loss – derivatives of ₹(25.65) million for the Financial Year 2023.

Other Income: Other income stood at ₹0.02 million for the Financial Year 2024 and ₹0.02 million for the Financial Year 2023.

Total Expenses

Our total expenses increased by 110.05% to ₹20,626.74 million for the Financial Year 2024 from ₹9,819.69 million for the Financial Year 2023, primarily due to an increase in finance costs, consistent with the increase in the scale of our business. As a percentage of total income, our total expenses were 74.44% in the Financial Year 2024, as compared to 72.62% in the Financial Year 2023.

Finance Costs: Finance costs increased by 112.85% to ₹17,310.23 million for the Financial Year 2024 from ₹8,132.77 million for the Financial Year 2023, primarily on account of increases in (i) interest on debt securities to ₹3,326.19 million for the Financial Year 2024 from ₹2,241.52 million for the Financial Year 2023, (ii) interest on borrowings (other than debt securities) to ₹12,544.84 million for the Financial Year 2024 from ₹4,936.89 million for the Financial Year 2023, (iii) interest on subordinated liabilities to ₹1,386.43 million for the Financial Year 2024 from ₹925.08 million for the Financial Year 2023, (iv) interest on lease liabilities to ₹22.79 million for

the Financial Year 2024 from ₹10.62 million for the Financial Year 2023, and (v) other charges to ₹29.98 million for the Financial Year 2024 from ₹18.66 million for the Financial Year 2023.

The increases in finance costs were also attributable to increases in our quarterly average total borrowings to ₹200,678.03 million for the Financial Year 2024 from ₹104,124.16 million for Financial Year 2023, and increases in our quarterly average cost of borrowings to 8.63% in the Financial Year 2024 from 7.81% in the Financial Year 2023, primarily on account of a general increase in interest rates on borrowings across instruments and specifically on bank borrowings as a result of the increase in the risk weights for banks' exposure to NBFCs pursuant to changes in the RBI's policy in November 2023. The increase in our overall borrowings was driven by the overall growth of our Gross Loans during the Financial Year 2024.

Impairment on Financial Instruments: Impairment on financial instruments increased to ₹497.85 million for the Financial Year 2024 from ₹101.05 million for the Financial Year 2023, primarily on account of increases in impairment on financial assets measured at amortised cost for (i) loans (including ECL on undisbursed commitment) to ₹483.44 million for the Financial Year 2024 from ₹98.97 million for the Financial Year 2023; and (ii) loans written off to ₹14.41 million for the Financial Year 2024 from ₹2.08 million for the Financial Year 2023, which was consistent with the overall increase in our Gross Loans.

Employee Benefits Expense: Employee benefits expense increased by 68.05% to ₹1,469.38 million for the Financial Year 2024 from ₹874.39 million for the Financial Year 2023. This was primarily attributable to increases in (i) salaries and bonus to ₹975.45 million for the Financial Year 2024 from ₹700.98 million for the Financial Year 2023, on account of an increase in the number of full-time employees in our sales, credit and technology functions to support our business growth, (ii) employees share based payments expenses to ₹410.60 million for the Financial Year 2024 from ₹117.16 million for the Financial Year 2023, on account of accelerated vesting and cash settlement of ESOPs pursuant to the change in control of our Company, (iii) contributions to the provident fund to ₹37.11 million for the Financial Year 2024 from ₹23.84 million for the Financial Year 2023, (iv) staff welfare expenses to ₹31.37 million for the Financial Year 2024 from ₹21.39 million for the Financial Year 2023, (v) gratuity expenses to ₹12.23 million for the Financial Year 2024 from ₹8.56 million for the Financial Year 2023, and (vi) compensated absences expenses to ₹2.62 million for the Financial Year 2024 from ₹2.46 million for the Financial Year 2023.

Depreciation and Amortisation Expense: Depreciation and amortisation expense increased by 68.21% to ₹114.16 million for the Financial Year 2024 from ₹67.87 million for the Financial Year 2023, primarily due to increases in depreciation on property, plant and equipment and intangible assets by ₹8.60 million from the Financial Year 2023 and increases in amortisation on right-of-use assets by ₹37.69 million from the Financial Year 2023. Gross additions in property, plant and equipment, intangible assets and right of use assets aggregated to ₹332.58 million during the Financial Year 2024.

Other Expenses: Other expenses increased by 91.90% to ₹1,235.12 million for the Financial Year 2024 from ₹643.61 million for the Financial Year 2023, primarily due to increases in (i) outsourcing charges to ₹289.88 million for the Financial Year 2024 from ₹187.78 million for the Financial Year 2023, on account of an increase in employee headcount, (ii) legal and professional charges to ₹364.74 million for the Financial Year 2024 from ₹130.56 million for the Financial Year 2023, which included underwriting expenses for financial institutions and risk containment units, and increases in technical and legal verification collateral from customers, which was in line with our growth in disbursements, (iii) computer expenses to ₹179.54 million for the Financial Year 2024 from ₹87.57 million for the Financial Year 2023, on account of increased digital adoption, (iv) other expenditure to ₹114.60 million for the Financial Year 2024 from ₹76.17 million for the Financial Year 2023, and (v) advertisements and publicity expenses to ₹99.15 million for the Financial Year 2024 from ₹21.28 million for the Financial Year 2023.

Tax Expense: Tax expense increased by 90.42% to ₹1,795.28 million for the Financial Year 2024 from ₹942.82 million for the Financial Year 2023. For the Financial Year 2024, we incurred current tax of ₹1,819.70 million and a deferred tax credit of ₹24.42 million. For the Financial Year 2023, we incurred current tax of ₹1,063.22 million and a deferred tax credit of ₹120.40 million. Our effective tax rate was 25.34% and 25.47% for the Financial Years 2024 and 2023, respectively.

Restated net profit after tax: Our restated net profit after tax increased by 91.66% to ₹5,288.39 million for the Financial Year 2024 from ₹2,759.25 million for the Financial Year 2023.

Financial Position

Assets

The following table sets forth the components of our assets as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in millions)		
ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	26,666.27	14,710.90	4,173.48
(b) Bank balances other than cash and cash equivalents	13,379.15	6,529.01	1,007.17
(c) Derivative financial instruments	749.48	288.22	164.78
(d) Trade receivables	219.94	203.65	14.38
(e) Loans	414,693.08	280,832.16	152,389.01
(f) Investments	23,781.35	11,253.51	5,919.90
(g) Other financial assets	464.90	556.32	28.62
Total financial assets	479,954.17	314,373.77	163,697.34
2. Non-financial assets			
(a) Current tax assets (net)	0.02	36.21	22.81
(b) Deferred tax assets (net)	267.74	300.82	313.73
(c) Property, plant and equipment	770.22	409.66	223.20
(d) Intangible assets	324.12	16.17	0.16
(e) Capital work in progress	36.41	45.20	-
(f) Intangible assets under development	157.51	304.34	113.81
(g) Other non-financial assets	434.85	173.52	89.38
Total non-financial assets	1,990.87	1,285.92	763.09
Total Assets	481,945.04	315,659.69	164,460.43

Our total assets aggregated to ₹481,945.04 million as of March 31, 2025, compared to ₹315,659.69 million as of March 31, 2024 and ₹164,460.43 million as of March 31, 2023. The growth in our total assets was primarily driven by the expansion of our business and the increase in volume of education loans.

Cash and Cash Equivalents

Our cash and cash equivalents aggregated to ₹26,666.27 million as of March 31, 2025, compared to ₹14,710.90 million as of March 31, 2024 and ₹4,173.48 million as of March 31, 2023. This increase was primarily attributable to higher placements in bank deposits with maturities of less than three months, in line with our liquidity management policy.

Net Loans

Total net loans increased to ₹414,693.08 million as of March 31, 2025, compared to ₹280,832.16 million as of March 31, 2024 and ₹152,389.01 million as of March 31, 2023. This growth was primarily driven by the Indian students to pursuing higher education overseas and supported by favorable student visa regimes across key geographies, including the United States, the United Kingdom, Canada and China.

Investments

Our investments increased to ₹23,781.35 million as of March 31, 2025, compared to ₹11,253.51 million as of March 31, 2024 and ₹5,919.90 million as of March 31, 2023. This growth was primarily attributable to an increase in our investments in government securities qualifying as high-quality liquid assets, and higher investments in liquid mutual funds.

Non-Financial Assets

Our total non-financial assets increased to ₹1,990.87 million as of March 31, 2025 from ₹1,285.92 million as of

March 31, 2024 and ₹763.09 million as of March 31, 2023. This increase was primarily driven by additions to property, plant, and equipment and right-of-use assets, reflecting the expansion of our branch network and the adoption of a new technology stack to enhance operational efficiency and customer experience.

Liabilities

The following table sets forth the principal components of our liabilities as of March 31, 2025, March 31, 2024 and March 31, 2023:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ in millions)		
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
(a) Derivative financial instruments	701.42	620.64	744.01
(b) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	2.99	2.57	1.86
- Total outstanding dues of creditors other than micro enterprises and small enterprises	532.08	261.89	204.33
(c) Debt securities	59,363.04	42,007.40	35,240.07
(d) Borrowings (other than debt securities)	313,845.33	201,972.50	88,627.36
(e) Subordinated liabilities	15,481.77	16,348.37	12,684.78
(f) Other financial liabilities	3,841.70	2,710.26	1,998.37
Total financial liabilities	393,768.33	263,923.63	139,500.78
2. Non-financial liabilities			
(a) Current tax liabilities (net)	88.89	-	50.68
(b) Provisions	162.20	118.98	74.93
(c) Other non-financial liabilities	980.56	1,183.44	483.12
Total non-financial liabilities	1,231.65	1,302.42	608.73
Total Liabilities	394,999.98	265,226.05	140,109.51
EQUITY			
(a) Equity share capital	2,187.88	1,791.69	1,478.00
(b) Other equity	84,757.18	48,641.95	22,872.92
Total Equity	86,945.06	50,433.64	24,350.92
Total liabilities and equity	481,945.04	315,659.69	164,460.43

Debt Securities

We had debt securities as of March 31, 2025 of ₹59,363.04 million compared as of March 31, 2024 of ₹42,007.40 million, and ₹35,240.07 million as of March 31, 2023. The increase in debt securities was primarily due to the issuance of secured non-convertible debentures and commercial paper, reflecting our efforts to diversify funding sources and meet the growing capital needs of our business.

Borrowings (Other than debt securities)

Our borrowings (other than debt securities) aggregated to ₹313,845.33 million as of March 31, 2025, compared to ₹201,972.50 million as of March 31, 2024 and ₹88,627.36 million as of March 31, 2023. The increase in borrowings (other than debt securities) was on account of an increase in term loans from banks and external commercial borrowings. For further details, see “Financial Indebtedness” and “Risk Factors – Internal Risk Factors – Our inability to meet our obligations under our financing agreements and instruments could adversely affect our business, results of operations, financial condition and cash flows” on pages 471 and 60, respectively.

Total Liabilities

We had total liabilities aggregating to ₹394,999.98 million as of March 31, 2025, as compared to ₹265,226.05 million as of March 31, 2024 and ₹140,109.51 million as of March 31, 2023.

Cash Flows

The following table sets forth our cash flows for the financial years indicated:

Particulars	Financial Year		
	2025	2024	2023
	(₹ in millions)		
Net cash flows from/(used in) operating activities (A)	(122,777.10)	(120,164.66)	(61,570.34)
Net cash flows from/(used in) investing activities (B)	(17,125.77)	(12,541.91)	(3,844.35)
Net cash flows from/(used in) financing activities (C)	151,858.24	143,243.99	69,315.14
Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,955.37	10,537.42	3,900.45
Cash and cash equivalents at the beginning of the year	14,710.90	4,173.48	273.03
Cash and cash equivalents at the end of the year	26,666.27	14,710.90	4,173.48

Operating Activities

Net cash flows used in operating activities was ₹122,777.10 million for the Financial Year 2025. Our restated profit before tax was ₹13,259.71 million for the Financial Year 2025. Cash utilised in operations before working capital changes was ₹6,018.70 million, which was primarily adjusted for interest income of ₹44,666.07 million and interest expense of ₹28,841.99 million. Changes in our working capital for the Financial Year 2025 primarily comprised of increases in financial assets and non-financial assets of ₹98.82 million, and further loans disbursed (net) of ₹112,441.10 million and income tax paid (net of refunds) of ₹3,037.21 million.

Net cash flows used in operating activities was ₹120,164.66 million for the Financial Year 2024. Our restated profit before tax was ₹7,083.67 million for the Financial Year 2024. Cash utilised in operations before working capital changes was ₹5,189.45 million, which was primarily adjusted for interest income of ₹26,209.91 million and interest expense of ₹17,280.25 million. Changes in our working capital for the Financial Year 2024 primarily comprised of increase in financial assets and non-financial assets of ₹785.75 million, and further loans disbursed (net) ₹115,243.05 million and income tax paid (net of refunds) of ₹1,839.80 million.

Net cash flows used in operating activities was ₹61,570.34 million for the Financial Year 2023. Our restated profit before tax was ₹3,702.07 million for the Financial Year 2023. Cash utilised in operations before working capital changes was ₹791.55 million, which was primarily adjusted for interest income of ₹13,158.40 million and interest expense of ₹8,114.11 million. Changes in our working capital for the Financial Year 2023 primarily comprised of increase in financial and non-financial liabilities of ₹353.84 million, and further loans disbursed (net) ₹58,845.31 million and income tax paid (net of refunds) of ₹1,023.74 million.

Investing Activities

Net cash flows used in investing activities was ₹17,125.77 million for the Financial Year 2025, primarily comprising (i) investments (net) of ₹16,771.69 million; and (ii) purchase of property, plant and equipment and intangible assets of ₹354.14 million, which was partially offset by proceeds from sale of property, plant and equipment of ₹0.06 million.

Net cash flows used in investing activities was ₹12,541.91 million for the Financial Year 2024, primarily (i) investments (net) of ₹12,255.49 million; (ii) purchase of property, plant and equipment and intangible assets of ₹286.45 million, which was partially offset by proceeds from sale of property, plant and equipment of ₹0.03 million.

Net cash flows used in investing activities was ₹3,844.35 million for the Financial Year 2023, primarily (i) investments (net) of ₹3,694.10 million; (ii) purchase of property, plant and equipment and intangible assets of ₹150.28 million, which was partially offset by proceeds from sale of property, plant and equipment of ₹0.03 million.

Financing Activities

Net cash flows from financing activities was ₹151,858.24 million for the Financial Year 2025, primarily comprising (i) borrowings (other than debt securities) taken aggregating to ₹156,022.84 million; (ii) debt securities and subordinated liabilities issued of ₹46,657.60 million; and (iii) proceeds from issue of equity shares (including securities premium) of ₹26,990.14 million, which was partially offset by (i) borrowings (other than debt securities) repaid of ₹45,708.79 million; (ii) debt securities and subordinated liabilities repaid of ₹32,000.00 million; and (iii) lease payments of ₹103.55 million.

Net cash flows from financing activities was ₹143,243.99 million for the Financial Year 2024, primarily comprising (i) borrowings (other than debt securities) taken aggregating to ₹128,855.90 million; (ii) debt securities and subordinated liabilities issued of ₹39,377.92 million; and (iii) proceeds from issue of equity shares (including securities premium) of ₹20,715.00 million, which was partially offset by (i) borrowings (other than debt securities) repaid of ₹15,693.51 million; (ii) debt securities and subordinated liabilities repaid of ₹29,750.00 million; (iii) lease payments of ₹98.74 million; and (iv) dividend paid of ₹162.58 million.

Net cash flows from financing activities was ₹69,315.14 million for the Financial Year 2023, primarily comprising (i) borrowings (other than debt securities) taken aggregating to ₹59,464.54 million; (ii) debt securities and subordinated liabilities issued of ₹38,661.99 million; and (iii) proceeds from issue of equity shares (including securities premium) of ₹7,999.97 million, which was partially offset by (i) borrowings (other than debt securities) repaid of ₹18,622.37 million; (ii) debt securities and subordinated liabilities repaid of ₹18,000.00 million; (iii) lease payments of ₹57.19 million; and (iv) dividend paid of ₹131.80 million.

Contingent Liabilities and Commitments

Details of our contingent liabilities (as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets) are set out below:

Contingent Liabilities	As of March 31, 2025 (₹ in millions)
GST Liability	15.35*

*During the current period, our Company has received an order from the GST department demanding ₹11.74 million. The Company has filed an appeal with the Appellate Authority against the order by paying GST of ₹0.57 million and is in the process of filing an appeal against the third order. During the Financial Year 2024, our Company received an order from the GST department demanding ₹3.61 million for the Financial Year 2018. We have filed an appeal with the appellate authority against the order by paying GST of ₹0.17 million. As at March 31, 2024, we had contingent liabilities of ₹3.61 million and as at March 31, 2023, we had no contingent liabilities.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Our total borrowings include external commercial borrowings from international banks and institutions. For details, see “Financial Indebtedness” on page 471.

Capital Expenditure

Our capital expenditure primarily comprises expenditure incurred towards expansion of our branch network and investment in technological infrastructure. During the Financial Years 2025, 2024 and 2023, our purchase of property, plant and equipment and intangible assets amounted to ₹354.14 million, ₹286.45 million and ₹150.28 million, respectively. As of March 31, 2025, our capital expenditures contracted for but not recognized in our Restated Financial Information constituted undisbursed sanctioned loans of ₹67,884.34 million and capital expenditures contracted for but not recognized in the financial statements of ₹14.16 million.

For the Financial Year 2025, we expect our capital expenditure to be incurred for expansion of our branch network and enhancement of our information technology infrastructure.

Related Party Transactions

For details of our related party transactions, see “Financial Statements – Restated Financial Information – Note

37 – *Related party disclosures*” on page 397.

Audit Qualifications, Matters of Emphasis and Adverse Observations

There are no audit qualifications, matters of emphasis or adverse observations in the audit reports on our audited financial statements based on which the Restated Financial Information for the Financial Years 2025, 2024 and 2023 have been prepared.

Quantitative and Qualitative Disclosures about Market Risk

In the course of our business, we are exposed to certain financial risks such as credit risk, liquidity and interest rate risk, operational risk and certain other risks.

Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In our lending operations, we are principally exposed to credit risk.

Credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile, the underwriting criteria, the credit approval process and limits and the deviations and associated approval matrix. We have a structured and standardized credit approval process, which includes an established procedure for credit appraisal, loan disbursement, collection and recovery.

We monitor our credit risk at a portfolio level. Different segments of our portfolio (sub-portfolios) are taken to understand significant deviation of credit risk at the sub-portfolio level, which may not be apparent at the total portfolio analysis level. These sub-portfolios are based on perceived risks, that may impact only a few categories of customers. Our Risk Management Policy addresses the recognition, measurement, monitoring and reporting of credit risks.

Education Loans

Our customers for retail loans are low, middle and high-income, salaried and self-employed individuals. Our credit officers evaluate credit proposals based on parameters as set out in our credit policy. Such parameters typically include factors such as the student academic and entrance scores, country, university, college and course of study, future earning potential of the student, co-borrower's income and obligations, the loan-to-value ratio (where applicable) and demographic parameters subject to regulatory guidelines. Deviations are approved as per the matrix set out in our credit policy. Process controls such as PAN check, credit bureau report analysis, bank statement analysis, personal discussion with the borrower and co-borrowers, fraud check (through subscription to industry database) and AML database scrubbing, among others, are undertaken prior to approval of a loan. In addition, visits to workplace or business locations and residences for applicants and co-borrowers provides comprehensive due-diligence for the proposed loan.

We analyse the portfolio performance of each product segment regularly, and use these as inputs in revising our product programs, target market definitions and credit assessment criteria to meet our twin objectives of combining volume growth and maintenance of asset quality. We secure loans through collateral depending on the loan amount, country of study, among others, in accordance with our product group matrix. Since we only provide retail education loans, there is no significant concentration risk at the borrower or counterparty level. Counterparty risk is reviewed periodically to ensure that exposure to various counterparties is diversified and is within the limits fixed by the Derivative Committee.

Risk management and portfolio review

We review our portfolio regularly on various parameters to observe trends in defaults and take necessary measures. Our credit team carries out multi-level checks and ensures adherence to the terms of the credit policy prior to the commitment and disbursement of credit facilities. Our central operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines. Our branch credit team/operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the

completeness of documentation, creation of security and life insurance policy which provides coverage in case of death of student during the term of the loan. Our risk management team regularly reviews the credit quality of the portfolio and various sub-portfolios. The summary of such reviews are discussed with our credit and collection teams for necessary action (where applicable) through regular interaction and communication.

Collateral and other credit enhancements

Based on our Board-approved credit policy, we provide fully secured, partially secured and unsecured education loans to individuals. The parameters relating to acceptability and valuation of each type of collateral are a part of our credit policy. We obtain collateral in the form of mortgages over immovable properties including second charge and fixed deposits, wherever applicable. We do not have any credit enhancement arrangements.

In case of delinquent customers, we have the right to repossess collateral pledged as security and liquidate the same to recover the amounts due against an outstanding loan. Any surplus funds after adjusting such outstanding dues are returned to the customers/obligors.

Operational Risk

Operational risk is the risk of loss resulting from inadequate internal processes, people or systems, fraud, or from external events. We focus on management and control of operational risks through a comprehensive system of internal controls and monitoring performance of each function against defined thresholds. Operational risk management comprises identification and assessment of risks and controls, new products and process approval framework, measurement through operational risk incidents, monitoring through key risk indicators and mitigation through process and control enhancement.

Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

We manage liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, we maintain flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Our management regularly monitors the position of cash and cash equivalents as compared to our projections.

Market Risk (Interest Rate Risk)

We are exposed to interest rate risk as we have assets and liabilities based on floating and fixed interest rates. We have adopted an asset and liability management policy which empowers our Asset and Liability Management Committee to assess the interest rate risk and provide appropriate guidelines.

Foreign Currency Risk

Our hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. We enter into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Unusual or Infrequent Events or Transactions

Except as described in this Updated Draft Red Herring Prospectus-I, 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.

Significant Economic Changes and 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 in “— *Significant Factors Affecting our Results of Operations*” on page 441 and the uncertainties described in “*Risk Factors*” on page 42. To our knowledge, except as disclosed in this Updated Draft Red Herring Prospectus-I, there are no known trends or uncertainties 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*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 42, 216 and 439, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Our Company operates in a single segment only. There is no separate reportable segment as per Ind AS – 108 on “Operating Segments” in respect of our Company.

Seasonality of Business

Demand for our education loans is typically higher during the second quarter of each Financial Year, reflecting the academic calendar of universities in the United States, Canada and the United Kingdom. For further details, see “*Risk Factors – The volume of our business may vary during certain periods in a financial year, primarily in connection with student loans – overseas business*” on page 62.

Competitive Conditions

We operate in a competitive environment. Please refer to “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 216, 170 and 42, respectively for further information on our industry and competition.

Recent Accounting Pronouncements

As of the date of this Updated Draft Red Herring Prospectus-I, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

Significant developments subsequent to March 31, 2025

Except as disclosed above and elsewhere in this Updated Draft Red Herring Prospectus-I, no circumstances have arisen since the date of the last financial statements disclosed in this Updated Draft Red Herring Prospectus-I, which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as on March 31, 2025, on the basis of amounts derived from our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” beginning on pages 439, 328, and 42, respectively.

(in ₹ million, except ratio)		
Particulars	Pre-Offer as at March 31, 2025	Post-Offer*
Borrowings		
Debt Securities (A)	59,363.04	[●]
Borrowings (other than debt securities) (B)	313,845.33	[●]
Subordinated liabilities (C)	15,481.77	[●]
Total borrowings (D=A+B+C)	388,690.14	[●]
Equity		
Equity share capital (E)	2,187.88	[●]
Other equity (F)	84,757.18	[●]
Net worth (G=E+F)	86,945.06	[●]
Total capitalisation (H=D+G)	475,635.20	[●]
Debt to Equity Ratio: Total borrowings (D) / Total equity (G)	4.47	[●]

* The corresponding post Offer capitalisation 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.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of our business primarily for onward lending to the borrowers of our Company and to meet its other business requirements.

For details regarding the borrowing powers of our Board, see “*Our Management – Borrowing Powers*” on page 289.

Set forth below is a table of the summary of total borrowings of our Company which stood at ₹ 388,690.14 million, as on March 31, 2025:

(₹ in million)		
Category of borrowing	Sanctioned amount as on March 31, 2025	Outstanding amount as on March 31, 2025
Secured		
Non-convertible debentures	40,100.00	39,988.80
Term loans	282,300.00	237,585.53
Working capital facilities	-	-
- Fund based	9,250.00	4,756.00
- Non-fund based	-	-
External commercial borrowings	71,503.80	71,503.80
Unsecured		
Total subordinated liabilities	15,650.00	15,481.77
Commercial papers	20,500.00	19,374.24
Total Borrowings	439,303.80	388,690.14

As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company. See “*Risk Factors – Our inability to meet our obligations under our financing agreements and instruments could adversely affect our business, results of operations, financial condition and cash flows*” on page 60.

Principal terms of our outstanding borrowings availed by our Company:

1. **Tenor:** The tenor of the term loans availed by our Company typically ranges from 24 months to 112 months.

The maturity period of the NCDs issued by our Company typically ranges from 18 months to 120 months. Our Company has issued commercial papers (“CPs”) with maturity up to 12 months. Further, the ECBs issued by our Company are repayable in 36 months to 42 months.

2. **Interest rate:** In terms of the loans availed by our Company, the interest rate is typically the base rate/MCLR of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies among different loans. The interest rate for the term loans availed by our Company ranges from 7.01% per annum to 10.00% per annum.

Our Company has also issued NCDs (secured and unsecured) to various subscribers, for which our Company has entered into debenture trust deeds and in terms of these facilities, a specified interest or coupon rate is to be paid per annum. The coupon rate for such facilities issued by our Company typically ranges from 7.00% per annum to 10.50% per annum. The interest rate on CPs issued by the company ranges from 8.35% to 8.98%.

Further, for certain borrowings availed by our Company, additional interest rates ranging up to 2% have been stipulated on the occurrence of certain events of default including, but not limited to, payment related default and breach of terms and conditions.

3. **Security:** Our secured borrowings are typically secured by way of a *first pari passu* charge on our Company’s current assets and receivables, book debts, all the present and future debts owed to our Company by its debtors/customers.

4. **Repayment:** The repayment term for our term loans is typically staggered, with some lenders providing moratorium ranging from three months to two years, with principal repayment to be done on quarterly, half yearly, annually or bullet on maturity. Further, in terms of the NCDs (secured and unsecured), the redemption is in full on maturity. The repayment period for our ECBs is repayable in full on maturity. Further the repayment term for CPs is up to 12 months.
5. **Prepayment:** The term loans and ECBs availed and the NCDs (secured and unsecured) issued by our Company typically provide for prepayment and early redemption respectively, with prior notice on payment of certain penalties. While few of our term loans can be repaid only on the lender's discretion, the prepayment penalty typically ranges from 0.25% to 4.00% of the amount being prepaid with respect to the term loans.
6. **Penalty:** The facilities issued and availed by our Company contain provisions prescribing penalties, over and above the prescribed interest rate, for delayed payment or default in the repayment obligations of our Company, which typically range up to 2.00% of the amounts involved with respect to term loans and NCDs (secured and unsecured).
7. **Restrictive covenants:** The loans availed by our Company typically, contain certain key covenants, which require our prior approval of, or provide intimation to, the lenders and other relevant parties for certain specified events on corporate actions, including *inter-alia*:
 - (a) Change in capital structure or shareholding pattern or ownership or control of our Company;
 - (b) Change in the management or management set up of our Company;
 - (c) Creation of further charge or any other encumbrance on the security provided for our borrowings;
 - (d) Change, diversification or expansion in business activities;
 - (e) Change in nature and conduct of business of our Company;
 - (f) Amendment or modification of constitutional documents of our Company;
 - (g) Formulation of scheme of merger, consolidation, reorganisation, reconstruction, compromise or amalgamation; and
 - (h) Dilution or transfer of promoter shareholding and non-maintenance of shareholding of promoters/ directors at the prescribed threshold.
8. **Events of default:** Borrowing arrangements entered into by our Company typically contain standard events of default, including *inter-alia*:
 - (a) Furnishing of misleading information to the lender;
 - (b) Failure to furnish information/document that are required to be provided to the lender;
 - (c) Violation of any term of the relevant agreement or any other borrowing agreement entered into by our Company with the lender;
 - (d) Any breach of the financial covenants by our Company beyond the prescribed limits as mentioned under various borrowing agreements;
 - (e) If our Company ceases or threatens in writing to cease to carry on its business or gives notice in writing of its intention to do so;
 - (f) Non-creation of the required security as required under the loan agreement entered into between our

Company and lender within the stipulated time;

- (g) Any change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of our Company that has resulted in a material adverse effect;
- (h) Non-payment of instalment/interest within stipulated time;
- (i) Revocation of approvals obtained by our Company from government authorities;
- (j) Diversion of funds for purposes other than the stipulated purpose;
- (k) Any attachment or restraint of our Company's properties;
- (l) If a receiver is appointed in respect of the whole or any part of the property/assets of our Company or if any attachment/distress proceedings have been initiated against our Company;
- (m) Any government or governmental authority, agency, official or entity takes or threatens any action against our Company for nationalization or expropriation; and
- (n) Our Company voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law.

9. **Consequences on occurrence of event of default:** In terms of the facility agreements and sanction letters, in case of occurrence of events of default set out above, our lenders may, among others:

- (a) terminate either whole or part of the facility and/or declare that the dues and all obligations and facilities shall immediately become due and payable to the lender;
- (b) take possession of and/or transfer and dispose off the assets comprised within the security;
- (c) appointment of nominee director on the board;
- (d) conversion of outstanding loan obligations into equity or other securities;
- (e) exercise such remedies as may be permitted or available to the lender under law and the transaction documents; and
- (f) stipulate any additional condition as they may deem fit.

We have obtained the necessary consents and have made the necessary intimations required under the relevant loan documentation for undertaking activities in relation to the Offer.

Details of listed non-convertible debentures issued by our Company:

Our Company is in compliance with the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable, and other applicable laws, in relation to issuance of non-convertible debentures, since incorporation.

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company as of March 31, 2025:

Series	ISIN	Outstanding amount (₹ in million) as on March 31, 2025	Date of allotment	Redemption date	Coupon (%)	Security	Credit rating (at the time of issue)	Scrip Code
10.50% HDFC Credila Financial Services	INE539 K08138	500.00	June 17, 2015	NA (call option after 10 years)	10.50	Unsecured	[ICRA] AA- (Stable) & CARE	952267

Series	ISIN	Outstanding amount (₹ in million) as on March 31, 2025	Date of allotment	Redemption date	Coupon (%)	Security	Credit rating (at the time of issue)	Scrip Code
Private Limited PDI, 2015 June 17							AA- (Stable)	
9.30% HDFC Credila, October 9, 2025	INE539 K08146	1,000.00	October 9, 2015	October 9, 2025	9.30	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	952850
8.20% HDFC Credila, July 23, 2027	INE539 K08153	500.00	July 24, 2017	July 23, 2027	8.20	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	956752
8.10% HDFC Credila, November 16, 2027	INE539 K08161	500.00	November 16, 2017	November 16, 2027	8.10	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	957172
8.75% HDFC Credila PDI, December 08, 2017	INE539 K08179	500.00	December 8, 2017	NA (call option after 10 years)	8.75	Unsecured	CARE AA- (Stable) & [ICRA] AA- (Stable)	957228
9.35% HDFC Credila PDI, June 6, 2028	INE539 K08187	750.00	June 6, 2018	NA (call option after 10 years)	9.35	Unsecured	CARE AA- (Stable) & [ICRA] AA- (Stable)	957988
9.12% HDFC Credila, June 06, 2029	INE539 K08195	1,500.00	June 6, 2019	June 6, 2029	9.12	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	958821
8.85% HDFC Credila, June 06, 2029	INE539 K07122	2,000.00	July 8, 2019	June 6, 2029	8.85	***	CRISIL AA+ (Stable) & CARE AA (Stable)	958884
8.70% HDFC Credila, August 01, 2029	INE539 K07130	2,000.00	August 1, 2019	August 1, 2029	8.70	***	CRISIL AA+ (Stable) & CARE AA (Stable)	958913
7% HDFC Credila,	INE539 K07171	2,000.00	November 13, 2020	November 12, 2027	7.00	***	CRISIL AA+	960221

Series	ISIN	Outstanding amount (₹ in million) as on March 31, 2025	Date of allotment	Redemption date	Coupon (%)	Security	Credit rating (at the time of issue)	Scrip Code
November 12, 2027							(Stable) & CARE AA (Stable)	
7.23% HDFC Credila, August 01, 2031	INE539 K07189	2,500.00	August 2, 2021	August 1, 2031	7.23	***	CRISIL AA+ (Stable) & CARE AA (Stable)	973363
7.50% HDFC Credila, January 30, 2032	INE539 K07205	2,000.00	February 1, 2022	January 30, 2032	7.50	***	CRISIL AA+ (Stable) & CARE AA (Stable)	973748
7.30% HDFC Credila, February 23, 2029	INE539 K07213	2,000.00	February 25, 2022	February 23, 2029	7.30	***	CRISIL AA+ (Stable) & CARE AA (Stable)	973818
8.40% HDFC Credila, June 30, 2032	INE539 K08203	2,000.00	July 4, 2022	June 30, 2032	8.40	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	974033
8.15% HDFC Credila, July 7, 2032	INE539 K07221	3,000.00	July 7, 2022	July 7, 2032	8.15	***	CRISIL AA+ (Stable) & CARE AA (Stable)	974043
8.25% HDFC Credila, July 23, 2032	INE539 K08211	1,750.00	July 25, 2022	July 23, 2032	8.25	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	974067
8.36% HDFC Credila PDI, August 30, 2022	INE539 K08229	1,000.00	August 30, 2022	NA (call option after 10 years)	8.36	Unsecured	CRISIL AA (Stable) & CARE AA (Stable)	974134
8.17% HDFC Credila, October 14, 2032	INE539 K07239	5,000.00	October 14, 2022	October 14, 2032	8.17	###	CRISIL AA+ (Stable) & CARE AA (Stable)	974307

Series	ISIN	Outstanding amount (₹ in million) as on March 31, 2025	Date of allotment	Redemption date	Coupon (%)	Security	Credit rating (at the time of issue)	Scrip Code
7.95% HDFC Credila, November 24, 2032	INE539 K07247	1,500.00	November 24, 2022	November 24, 2032	7.95	***	CRISIL AA+ (Stable) & CARE AA (Stable)	974381
8.15% HDFC Credila Financial Services Limited PDI, 2023 January 31	INE539 K08237	2,000.00	January 31, 2023	NA (call option after 10 years)	8.15	Unsecured	CRISIL AA (Stable) & CARE AA (Stable)	974573
Series A Tranche I 8.25% HDFC Credila, March 29, 2028	INE539 K07254	3,000.00	March 29, 2023	March 29, 2028	8.25	@@	CRISIL AA+ (Stable) & CARE AA (Stable)	974730
9.60% HDFC Credila June 29, 2029	INE539 K08245	2,900.00	December 29, 2023	June 29, 2029	9.60	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	975292
9.60% HDFC Credila, February 24, 2034	INE539 K08252	750.00	February 26, 2024	February 24, 2034	9.60	Unsecured	CRISIL AA+ (Stable) & CARE AA (Stable)	975426
9.23% HDFC Credila, July 22, 2027	INE539 K07262	2,000.00	July 22, 2024	July 22, 2027	9.23	@@	CRISIL AA+ (Stable) & CARE AA (Stable)	975844
9.03% HDFC Credila, March 4, 2026	INE539 K07270	5,000.00	September 4, 2024	March 4, 2026	9.03	@@	CRISIL AA+ (Stable) & CARE AA (Stable)	975991
9.10% Credila, December 13, 2029	INE539 K07288	2,600.00	December 13, 2024	December 13, 2029	9.10	@@	CRISIL AA+ (Stable) & CARE AA (Stable)	976234
		5,500.00	February 10, 2025		9.00	###	CRISIL AA+ (Stable) &	976395

Series	ISIN	Outstanding amount (₹ in million) as on March 31, 2025	Date of allotment	Redemption date	Coupon (%)	Security	Credit rating (at the time of issue)	Scrip Code
9.00% Credila, February 10, 2035	INE539 K07296			February 10, 2035			CARE AA (Stable)	

* As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated 26 June, 2025.

*** Pari passu charge with other existing lenders on the loan receivables of the Company's underlying portfolio of loans having minimum Security cover of 1.05 times.

Pari passu charge with other existing lenders on the loan receivables of the Company's underlying portfolio of loans having minimum Security cover of 1.25 times.

@@ (i) Pari passu charge in the nature of hypothecation over the hypothecated property created under the deed of hypothecation for each relevant Tranche; (ii) Any other security created by the Company in relation to the Debentures, in favour of the debenture trustee. The Company shall, during the currency of the Debentures, maintain a minimum-security cover which shall be 1.05 times of the outstanding principal amount and the accrued Coupon, or such other security cover as may be required in relation to a particular tranche under the relevant tranche placement memorandum.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed below there are no outstanding (i) criminal proceedings (including matters at first information report stage where no/some cognizance has been taken by any court or judicial authority) involving our Company, Directors, or Promoter (the “**Relevant Parties**”); and (ii) all actions taken by statutory or regulatory authorities (including penalties and show cause notices issued by such authorities) against the Relevant Parties (iii) claims relating to direct and indirect taxes involving the Relevant Parties, in a consolidated manner, giving the number of cases and the total amount involved; and (iv) other pending litigation or arbitration proceedings involving the Relevant Parties which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below). Further, there are no disciplinary actions (including penalties) imposed by SEBI or stock exchanges against our Promoter in the last five Fiscals immediately preceding the date of this Updated Draft Red Herring Prospectus-I, including any outstanding action. In addition, there is no pending litigation involving our Group Companies, an adverse outcome of which may have a material impact on our Company. In addition, there are no outstanding (i) criminal proceedings (including matters at first information report stage where no/some cognizance has been taken by any court or judicial authority) pending litigation involving the Key Managerial Personnel and Senior Management of the Company; and (ii) actions by regulatory and statutory authorities against the Key Managerial Personnel and Senior Management of the Company.

For the purpose of (iv) above, our Board considered and adopted (i) the policy on materiality for identification of material outstanding litigation involving the Relevant Parties pursuant to Board resolution dated December 24, 2024, and (ii) the amended policy on materiality for identification and disclosure of outstanding criminal proceedings involving the Key Managerial Personnel and Senior Management of the Company, and all actions by regulatory and statutory authorities against the Key Managerial Personnel and Senior Management of the Company, pursuant to Board resolution dated May 16, 2025. The amended policy on materiality is as follows:

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, and tax matters (direct or indirect), will be considered material if: (a) the monetary amount of claims/disputes to the extent quantifiable, by or against the Relevant Parties in any such outstanding litigation is equivalent to or in excess of 5% of the average of the absolute value of profit or loss after tax for the last three Fiscals (“**Materiality Threshold**”). Accordingly, all outstanding civil proceedings where the monetary amount of claim is equivalent to or in excess of ₹299.12 million, involving the Relevant Parties shall be considered material for the purpose of disclosure in this Updated Draft Red Herring Prospectus-I (“**Material Civil Proceedings**”); or (b) any other outstanding litigation, where the monetary impact is not quantifiable or does not exceed the materiality threshold specified in (i) above, but an adverse outcome of which would materially and adversely affect our Company’s business, prospects, operations, performance, financial position or reputation, in the opinion of the Board or where a decision in one case is likely to affect the decision in similar cases even though the monetary impact in the individual cases does not exceed the materiality threshold specified in (a) above, however, the cumulative amount involved in such cases exceeds the materiality threshold specified in (a) above (“**Other Material Proceedings**”). Further in relation to (iii) above, all outstanding claims related to direct and indirect taxes, involving the Relevant Parties, will be disclosed in the Offer Documents in a consolidated manner, giving the number of cases and the total amount involved. In the event any tax matter involves an amount exceeding the Materiality Threshold, it shall be considered as a material tax matter and individual disclosures of such tax matters will be included in the Offer Documents. Additionally, any pending litigation involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a ‘material impact’ on our Company, for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, prospects, operations, performance or financial position or reputation of our Company. Furthermore, the Company shall also disclose the following outstanding legal proceedings in the Offer Documents: (i) all criminal proceedings involving the Key Managerial Personnel and Senior Management of the Company; and (ii) all actions by regulatory and statutory authorities against the Key Managerial Personnel and Senior Management of the Company.

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ if amounts due to such creditor is equivalent to or in excess of 5.00% of the total trade payables of our Company as at the end of the most recent financial period covered in the Restated Financial Information. Accordingly, as on March 31, 2025, any outstanding dues exceeding ₹3.17 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to 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.

It is further clarified that our Company has initiated recovery proceedings against several borrowers under the Negotiable Instruments Act, 1881 for dishonor of cheques issued in favor of our Company by our customers / debtors. Disclosures in respect of such matters have been made in a consolidated manner. In the event any recovery proceeding or any matter under the Negotiable Instruments Act, 1881 involves an amount exceeding the Materiality Threshold, it shall be considered as a material legal proceeding and individual disclosures of such proceeding will be included in the Offer Documents. Accordingly, as on the date of this Updated Draft Red Herring Prospectus-I, no recovery proceedings or any other matter initiated by our Company under the Negotiable Instruments Act, 1881 involves an amount exceeding the Materiality Threshold.

For the purposes of the above, pre-litigation notices received by the Relevant Parties, key managerial personnel, senior managerial personnel and the group companies from third parties (excluding those notices issued by statutory, regulatory, governmental, tax, judicial authorities or notices threatening criminal action or first information report) have not and shall not be considered as litigation until such time that the Relevant Party, key managerial personnel, senior managerial personnel and the group companies is impleaded as a defendant in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided below is as of the date of this Updated Draft Red Herring Prospectus-I. All terms defined in a particular litigation disclosure below are for that particular litigation only.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors, our Promoter, Key Managerial Personnel and Senior Management Personnel and our Group Companies in terms of the SEBI ICDR Regulations has been set out below:

Category of individuals / entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoter, including outstanding action	Material Civil Litigation	Aggregate amount involved* (₹ in million)
Company						
By our Company	86	Nil	NA	NA	Nil	175.82
Against our Company	Nil	7	Nil	NA	Nil	38.64
Directors						
By our Directors	Nil	NA	NA	NA	Nil	Nil
Against our Directors	2	Nil	Nil	NA	Nil	Not quantifiable
KMPs and SMPs						
By our KMPs and SMPs	Nil	NA	NA	NA	NA	Nil
Against our KMPs and SMPs	Nil	NA	Nil	NA	NA	Nil
Promoter						
By our Promoter	Nil	NA	NA	NA	Nil	Nil
Against our Promoter	Nil	Nil	Nil	Nil	Nil	Nil

As on the date of this Updated Draft Red Herring Prospectus-I, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

LITIGATION INVOLVING OUR COMPANY

(a) *Outstanding legal proceedings against our Company*

(i) *Criminal proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Criminal Proceedings against our Company.

(ii) *Material Civil Proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Material Civil Proceedings against our Company.

(iii) *Other Material Proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Other Material Proceedings against our Company.

(b) *Actions by statutory or regulatory authorities*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no actions by statutory or regulatory authorities against our Company.

(c) *Outstanding legal proceedings by our Company*

(i) *Criminal proceedings*

Our Company has filed 86 complaints under Section 138 of Negotiable Instruments Act, 1881 in relation to dishonor of cheques issued in favor of our Company by our customers. The total amount involved in these matters (as of the date on which each complaint was filed) aggregates to ₹175.82 million. The matters are pending at different stages of adjudication before different judicial fora.

(ii) *Material Civil Proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Material Civil Proceedings initiated by our Company.

(iii) *Other Material Proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Other Material Proceedings initiated by our Company.

(d) *Tax proceedings involving our Company*

Except as mentioned below, there are no pending claims related to direct and indirect taxes involving our Company as on the date of this Updated Draft Red Herring Prospectus-I:

Nature of proceeding	Number of proceedings outstanding	Amount involved (in ₹ million)*
Direct tax	1	19.63
Indirect tax	6	19.01
Total	7	38.64

* To the extent quantified.

As on the date of this Updated Draft Red Herring Prospectus-I, there are no pending claims related to direct and indirect taxes involving our Company wherein the monetary amount of claim is equivalent to or in excess of the Materiality Threshold.

LITIGATION INVOLVING OUR DIRECTORS

(a) *Outstanding legal proceedings against Directors*

(i) *Criminal proceedings against our Directors*

Damodarannair Sundaram

An FIR was filed by Brijesh Kumar Singh against Damodarannair Sundaram in his capacity as a former director of Hindustan Unilever Limited (“**HUL**”) and others (“**Applicants**”) and a chargesheet was filed subsequently before the chief judicial magistrate court, Bareilly, alleging his involvement in a case of cheating under Section 420 read with Section 34 of the Indian Penal Code, 1860 in relation to ‘Surf Excel 10/10’, a consumer promotion scheme undertaken by HUL. The Applicants thereafter filed the discharge applications before the chief judicial magistrate court, Bareilly, which were rejected. Subsequently, a revision application was filed by the Applicants before the Allahabad High Court, against the order of chief judicial magistrate court, Bareilly, which was allowed. Further, the case was stayed for further proceedings before the lower courts and the matter is currently listed for final arguments before the Allahabad High Court.

Ashish Agrawal

A criminal complaint dated June 14, 2019 (“**Complaint**”) was filed by Ketaki Shah Talati (“**Complainant**”) with Basvanagudi Police Station, Bengaluru against Karvy Private Wealth (division of Karvy Stock Broking Limited (“**Karvy**”)), Karvy, Karvy Realty India Limited, certain other group companies (“**Karvy Group**”) and the directors of Karvy, including Ashish Agrawal for alleged breach of fiduciary duty by marketing unsafe and unviable schemes of investments to the Complainant and benefitting from the same. Pursuant to the Complaint, a first information report, numbered as Crime No. 90 of 2019 (“**FIR**”), was registered against Ashish Agrawal along with certain other officials and directors of Karvy under Sections 406 and 420 of the Indian Penal Code, 1860. Subsequently, a writ petition dated July 1, 2019 was filed by Ashish Agrawal and certain other officials and directors of Karvy before the Hon’ble High Court of Karnataka under Section 482 of the Code of Criminal Procedure, 1973 for quashing of the FIR (“**Quashing Petition**”), which was rejected by way of an order dated February 6, 2021. The matter is presently pending.

(ii) *Material Civil Proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Material Civil Proceedings against our Directors.

(iii) *Other Material Proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Other Material Proceedings against our Directors.

(b) *Actions by statutory or regulatory authorities*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no outstanding actions by statutory and regulatory authorities against our Directors.

(c) *Outstanding legal proceedings by our Directors*

(i) *Criminal proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no criminal proceedings initiated by our Directors.

(ii) *Material Civil Proceedings*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Material Civil Proceedings initiated by our Directors.

(iii) Other Material Proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Other Material Proceedings initiated by our Directors.

(d) *Tax proceedings involving our Directors:*

There are no pending claims related to direct and indirect taxes involving our Directors as on the date of this Updated Draft Red Herring Prospectus-I.

LITIGATION INVOLVING OUR KMPs AND SMPs

(a) *Outstanding legal proceedings against our KMPs and SMPs*

(i) Criminal proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no outstanding criminal proceedings against our KMPs and SMPs.

(b) *Actions by statutory or regulatory authorities*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no outstanding actions by statutory and regulatory authorities against our KMPs and SMPs.

(c) *Outstanding legal proceedings by our KMPs and SMPs*

(i) Criminal proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no criminal proceedings initiated by our KMPs and SMPs.

LITIGATION INVOLVING OUR PROMOTER

(d) *Outstanding legal proceedings against our Promoter*

(ii) Criminal proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no outstanding criminal proceedings against our Promoter.

(iii) Material Civil Proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Material Civil Proceedings against our Promoter.

(iv) Other Material Proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Other Material Proceedings against our Promoter.

(e) *Actions by statutory or regulatory authorities*

As on the date of this Updated Draft Red Herring Prospectus-I, there are no outstanding actions by statutory and regulatory authorities against our Promoter.

(f) Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action

There are no outstanding actions against our Promoter and no disciplinary action nor any penalty has been imposed by SEBI or stock exchanges in the last five financial years.

(g) Outstanding legal proceedings by our Promoter

(ii) Criminal proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no criminal proceedings initiated by our Promoter.

(iii) Material Civil Proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Material Civil Proceedings initiated by our Promoter.

(iv) Other Material Proceedings

As on the date of this Updated Draft Red Herring Prospectus-I, there are no Other Material Proceedings initiated by our Promoter.

(h) Tax proceedings involving our Promoter:

As on the date of this Updated Draft Red Herring Prospectus-I, there are no pending claims related to direct and indirect taxes involving our Promoter.

LITIGATION INVOLVING OUR GROUP COMPANIES

As on the date of this Updated Draft Red Herring Prospectus-I, our Group Companies are not party to any outstanding litigation which will have a material impact on our Company.

OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ if amounts due to such creditor are equivalent to or in excess of 5.00% of the total trade payables of the Company as of March 31, 2025 as reported in the Restated Financial Information, i.e. ₹3.17 million (“**Material Creditors**”).

The details of the total outstanding dues (trade payables) owed to MSME, Material Creditors and other creditors as on March 31, 2025 is as set forth below:

Particulars	Number of creditors [#]	Amount involved (₹ in million) [#]
Dues to micro, small and medium enterprises [#]	4	2.99
Dues to Material Creditor(s) [#]	6	55.16
Dues to other creditors	25	5.28
Total	35	63.43

[#] As certified by Mukund M Chitale & Co., Chartered Accountants, with firm registration number 106655W, pursuant to their certificate dated June 26, 2025.

The details pertaining to outstanding over-dues to the Material Creditors (along with the names and amounts involved for each such Material Creditor) is available on the website of our Company.

MATERIAL DEVELOPMENTS

Except as disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant developments subsequent to March 31, 2025” on page 469, no circumstances have arisen since March

31, 2025, the date of the Restated Financial Information disclosed in this Updated Draft Red Herring Prospectus-I, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various applicable rules and regulations. Set out below is an indicative list of all approvals, licenses, registrations, and permits obtained by our Company, which are considered material and necessary for undertaking our business and operations. Unless otherwise stated, these approvals, licenses, registrations, and permits are valid as of the date of this Updated Draft Red Herring Prospectus - I.

Certain material approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable laws, requirements, and procedures. For further details in connection with the applicable regulatory and legal framework, see “Key Regulations and Policies in India” on page 251. For details in connection to risks associated with not obtaining or delay in obtaining the requisite approvals, see “Risk Factors – We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business and results of operations.” on page 65.

I. Approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 495.

II. Material approvals in relation to our Company

(a). Material approvals obtained by our Company

We require various approvals to carry on our business in India. We have received the following major Government and other approvals pertaining to our business:

A. Material approvals in relation to the incorporation of our Company

1. Certificate of incorporation dated February 1, 2006 issued to our Company, under the name ‘Credila Financial Services Private Limited’ by the Assistant Registrar of Companies, Maharashtra at Mumbai.
2. Fresh certificate of incorporation dated February 19, 2017, issued to our Company, pursuant to change of name of our Company from ‘Credila Financial Services Private Limited’ to ‘HDFC Credila Financial Services Private Limited’ by the Registrar of Companies.
3. Fresh certificate of incorporation dated October 8, 2020 issued to our Company consequent upon conversion of our Company from a private limited company to a public limited company issued by the Registrar of Companies.
4. Fresh certificate of incorporation dated October 21, 2024, issued to our Company, pursuant to the change of our Company’s name from ‘HDFC Credila Financial Services Limited’ to ‘Credila Financial Services Limited’ issued by Registrar of Companies, Central Processing Centre, Manesar.

For further details in relation to incorporation of our Company, see “*History and Certain Corporate Matters*” on page 274.

B. Material approvals in relation to the business of our Company

The material approvals in relation to the establishments and business operations of our Company issued by authorities of the respective jurisdictions in which our establishments and business operations are located are set forth below:

1. Certificate of registration dated March 9, 2017, granted by RBI to our Company under the former name ‘Credila Financial Services Private Limited’ bearing registration number N-

13.01857 to commence/carry on the business of NBFC without accepting public deposits.

2. Fresh certificate of registration dated November 4, 2020, granted by the RBI to our Company, upon conversion of our Company from a private limited company to a public limited company.
3. Fresh certificate of registration dated November 12, 2024, granted by the RBI to our Company, pursuant to the change of our Company's name from 'HDFC Credila Financial Services Limited' to 'Credila Financial Services Limited'.
4. Certificate of registration dated March 28, 2025, issued by the Insurance Regulatory and Development Authority of India to our Company, bearing registration number CA0093 to act as a corporate agent (composite).
5. Recognition as a 'financial institution' pursuant to notification dated February 24, 2020 issued by the Ministry of Finance, for the purpose of sub-clause (iv) of clause (m) of sub-section (1) of Section 2 of the SARFAESI Act.
6. Legal entity identifier code – 3358002OGW3QMVG5K284 issued by the Legal Entity Identifier India Limited (a wholly owned subsidiary of the Clearing Corporation of India Limited).
7. Registration with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("CERSAI") for registration of security interest, bearing registration number F0098.

C. Tax related approvals of our Company

1. Our permanent account number is AACCC8789P.
2. Our tax deduction account number is MUMC14536E.
3. Goods and services tax registration numbers of our Company under various central and state goods and services tax legislations.
4. Our Company has several branches in various states falling under the respective professional tax legislations therein. Accordingly, our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

D. Labour and commercial approvals

1. Our Company has obtained registrations under various employee and labour-related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maharashtra Labour Welfare Fund Act, 1953 and the Employees' State Insurance Act, 1948.
2. Our Company has obtained licenses under the Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 1954 for registration of our Corporate Office and Registered Office as a commercial establishment

(b). Material approvals for our branches

Our Company has obtained registrations in the ordinary course of business for our branches across various states in India including trade licenses issued by relevant municipal authorities under applicable laws, registrations under the Employees' State Insurance Act, 1948, and shops and

establishment registrations issued under the relevant state legislations, as well as registrations from the state labour welfare boards to the extent applicable.

(c). Revised approvals pursuant to change in name of our Company

As on the date of this Updated Draft Red Herring Prospectus - I, our Company is in process of obtaining certain revised approvals for trade licenses issued by relevant municipal authorities, shops and establishment registrations issued under the relevant state legislations, and registrations under professional tax registrations, with the appropriate regulatory and Governmental authorities, pursuant to change in name of the Company from 'HDFC Credila Financial Services Limited' to 'Credila Financial Services Limited'.

(d). Material approvals to be obtained by our Company

A. Material approvals applied for but not received

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material approvals which our Company has applied for, but which have not been received.

B. Material approvals expired and renewal yet to be applied for

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material approvals of our Company that have expired, and for which renewal is yet to be applied for.

C. Material approvals required but not obtained or applied for


As on the date of this Updated Draft Red Herring Prospectus - I, there are no material approvals which our Company is required to obtain but which have not been obtained or been applied for.

III. Intellectual Property Registrations

(a). Trademarks



A. Registered

As on the date of this Updated Draft Red Herring Prospectus- I, our Company has three (3) trademarks in India, for which we have obtained valid registration certificates from the Trade Marks Registry, Government of India under the Trade Marks Act, 1999 ("**Trade Marks Act**"), as amended. The following table provides the details of registered trademarks of our Company:

Registered trademark/wordmark	Class of trademark under the Trade Marks Act	Registering Authority	Valid up to
	36	Trade Marks Registry, Mumbai	February 24, 2035
Credila	36	Trade Marks Registry, Mumbai	August 25, 2035
Credila Financial Services	36	Trade Marks Registry, Mumbai	August 25, 2035

B. Applied for

In addition to the registered trademarks listed above, as on the date of this Updated Draft Red Herring Prospectus-I, our Company has applied for the following trademarks with the Trade Marks Registry, Mumbai under the Trademarks Act: -

Trademark/wordmark	Class of trademark under the Trade Marks Act	Registering Authority
	35, 36	Trade Marks Registry, Mumbai
	35, 36	Trade Marks Registry, Mumbai
Credila- The Education Loan Specialist	35, 36	Trade Marks Registry, Mumbai

For details of risk associated with intellectual property, see “*Risk Factors – We may be unable to protect our brand name and other intellectual property rights which are critical to our business*” on page 65.

OUR GROUP COMPANIES

Pursuant to the resolutions dated December 24, 2024 and May 16, 2025, our Board formulated a policy for identification of group companies (“**Materiality Policy**”) and has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Updated Draft Red Herring Prospectus-I, group companies of our Company shall include the companies: (i) such companies (other than the subsidiaries, if any, and the promoter(s)) with which there were related party transactions, during the period for which financial information is disclosed in this Updated Draft Red Herring Prospectus-I, as covered under the applicable accounting standards; and (ii) other companies as considered ‘material’ by the Board.

In relation to (ii) above, for the purpose of disclosure in this Updated Draft Red Herring Prospectus-I, the following shall be considered material and shall be disclosed as a ‘Group Company’ (a) if such company is a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and (b) with which the Company has had transactions in the latest fiscal covered in the Restated Financial Information included in this Updated Draft Red Herring Prospectus-I, which individually or in the aggregate, exceed 10% of the total restated revenue from operations of the Company for such period, as per the Restated Financial Information.

Accordingly, in terms of the Materiality Policy prepared in accordance with the SEBI ICDR Regulations for the purpose of the Offer, our Board has identified the following companies as Group Companies as our Company has had related party transactions with them in the past as disclosed in the Restated Financial Information. However, the below mentioned entities ceased to be a related party of our Company by virtue of sale of Equity Shares aggregating to 90.01% stake in the Company, by HDFC Bank Limited to Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners on March 19, 2024. Additionally, HDFC Bank Limited has ceased to be the promoter of our Company since March 19, 2024.

1. HDFC Life Insurance Company Limited;
2. HDFC Bank Limited;
3. HDFC Ergo General Insurance Company Limited;
4. HDFC Securities Limited; and
5. HDFC Sales Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the top five Group Companies (determined based on market capitalisation for listed companies and turnover for unlisted companies) for the preceding three years, based on their respective audited financial statements, shall be hosted on the websites, as indicated below:

Details of our Group Companies

A. The details of our top five Group Companies are provided below:

1. HDFC Life Insurance Company Limited

Registered office

The registered office of HDFC Life Insurance Company Limited is situated at 13th Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai – 400 011, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information derived from the audited standalone and consolidated financial statements of HDFC Life Insurance Company Limited, for the preceding three financial years, is available on the website of our Company at <https://credila.com/m/index.html/groupcompanies>.

2. HDFC Bank Limited

Registered office

The registered office of HDFC Bank Limited is situated at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information derived from the audited standalone and consolidated financial statements of HDFC Bank Limited, for the preceding three financial years, is available on the website of our Company at <https://credila.com/m/index.html/groupcompanies>

3. HDFC Ergo General Insurance Company Limited

Registered office

The registered office of HDFC Ergo General Insurance Company Limited is situated at 6th Floor, Leela Business Park, Andheri-Kurla Road, Andheri (East) Mumbai – 400 059, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information derived from the audited standalone financial statements of HDFC Ergo General Insurance Company Limited, for the preceding three financial years, is available on the website of our Company at <https://credila.com/m/index.html/groupcompanies>.

4. HDFC Securities Limited

Registered office

The registered office of HDFC Securities Limited is situated at I Think Techno Campus, Bld-B, Alpha, Office Floor 8, Opp. Crompton Greaves, Kanjurmarg (E), Mumbai – 400 042, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information derived from the audited standalone financial statements of HDFC Securities Limited, for the preceding three financial years, is available on the website of our Company at <https://credila.com/m/index.html/groupcompanies>.

5. HDFC Sales Private Limited

Registered office

The registered office of HDFC Sales Private Limited is situated at 1st Floor, Ramon House, , H. T. Parekh Marg, Churchgate, Mumbai City – 400 020, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, certain financial information derived from the audited standalone financial statements of HDFC Sales Private Limited, for the preceding three financial years, is available on the website of our Company at <https://credila.com/m/index.html/groupcompanies>.

Our Company is providing a link to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision. Such information provided on the website given above does not constitute a part of this Updated Draft Red Herring Prospectus-I.

Nature and extent of interest of our Group Companies

(a) *In the promotion of our Company*

As on the date of this Updated Draft Red Herring Prospectus-I, our Group Companies do not have any interest in the promotion of our Company.

(b) *In the properties acquired by our Company in the preceding three years before filing this Updated Draft Red Herring Prospectus-I or proposed to be acquired by our Company*

Our Group Companies do not have any interest in any property acquired by our Company in the three years preceding the filing of this Updated Draft Red Herring Prospectus-I or proposed to be acquired by our Company as on the date of this Updated Draft Red Herring Prospectus-I.

(c) *In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery, etc.

Common Pursuits between our Group Companies and our Company

Except as disclosed below, there are no common pursuits between our Group Companies and our Company, as on the date of this Updated Draft Red Herring Prospectus-I:

- a) HDFC Bank Limited is registered composite corporate agent with the Insurance Regulatory and Development Authority of India and distributes life and non-life insurance products of certain insurance companies and accordingly, there are certain common pursuits with our Company considering that our Company also provides these services. Furthermore, HDFC Bank Limited also provides education financing which is our Company's core business;
- b) HDFC Securities Limited is registered corporate agent with the Insurance Regulatory and Development Authority of India and distributes life and non-life insurance products of certain insurance companies and accordingly, there are certain common pursuits with our Company considering that our Company also provides these services;
- c) HDFC Sales Limited is corporate agent exclusively for life insurance (HDFC Life Insurance Company only) and general insurance (HDFC ERGO General Insurance Company Limited only). Accordingly, there are certain common pursuits with the Company considering that the Company is also a corporate agent for insurance companies with whom it has commercial arrangements.

Related business transactions with the Group Companies and their significance on the financial performance of our Company

Except for than the transactions disclosed in "*Financial Statements – Restated Financial Information – Note 37 – Related party disclosures*" on page 397, there are no other related business transactions between our Group Companies and our Company. Such transactions do not have any significant effect on the financial performance of our Company.

Business interest of our Group Companies in our Company

Except as disclosed below and other than the aforementioned and in "*Financial Statements – Restated Financial Information – Note 37 – Related Party Disclosure*" on page 397, our Group Companies do not have any business interest in our Company:

- a) Our Company is a Corporate Agent to HDFC ERGO General Insurance Company Limited and we source business for HDFC ERGO General Insurance Company Limited for which commission is paid by HDFC ERGO General Insurance Company Limited to our Company.
- b) Our Company is a corporate agent to HDFC Life Insurance Company Limited and our Company sources business for HDFC Life Insurance Company Limited for which commission is paid by HDFC Life Insurance Company Limited to our Company pursuant to corporate agency agreement dated May 16, 2016.

- c) Our Company has entered into a memorandum of understanding with HDFC Sales Private Limited wherein HDFC Sales Private Limited would source leads to education loans to our Company on commission basis.
- d) Our Company has entered into a memorandum of understanding on December 1, 2022 with HDFC Bank Limited as amended pursuant to the amendment dated April 29, 2024 pursuant to which HDFC Bank Limited would source leads on education loans to our Company on commission basis.

Litigations

Except as disclosed in “*Outstanding Litigations and Other Material Developments*” on page 478, our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Other confirmations

Except as disclosed below, the equity shares of our Group Companies are not listed on any stock exchange in India or abroad:

i. HDFC Bank Limited:

The equity shares of HDFC Bank Limited are listed and traded on BSE (Scrip Code: 500180), NSE (Symbol: HDFCBANK) under the ISIN: INE040A01034. Further, American depository receipts of HDFC Bank Limited are listed on the New York Stock Exchange. Further, HDFC Bank Limited has issued Floating Rate Notes under Medium Term Note Programme which have been listed on India International Exchange (IFSC) Limited and NSE IFSC Limited. The details of bonds issued by HDFC Bank Limited are listed on stock exchanges, the details of which are provided in the table below:

S. No.	ISIN	Amount (₹ in million)	Maturity date	BSE scrip code	NSE security code
1.	INE040A08351	29,750.00	December 15, 2025	953107	HDBK25
2.	INE040A08369	67,000.00	September 21, 2026	954921	HDBK26
3.	INE040A08385	20,000.00	June 29, 2027	956683	HDBK27
4.	INE040A08393	60,000.00	December 28, 2028	958489	HDBK28
5.	INE040A08401	50,000.00	September 27, 2028	973489	HDBK28
6.	INE040A08419	30,000.00	Perpetual	974160	HDBK
7.	INE040A08427	150,000.00	December 2, 2032	974406	HDBK32
8.	INE040A08435	50,000.00	December 16, 2032	974431	HDBK32
9.	INE040A08AJ4	74,250.00	December 20, 2033	975255	HDBK33
10.	INE040A08AK2	29,100.00	March 20, 2034	975518	HDBK34
11.	INE040A08468	5,000.00	May 4, 2026	953896	HDBK26
12.	INE040A08500	10,350.00	May 13, 2026	953957	HDBK26
13.	INE040A08542	15,000.00	May 18, 2026	953988	HDBK26
14.	INE040A08617	7,100.00	June 1, 2026	954058	HDBK26A
15.	INE040A08757	10,000.00	June 15, 2026	954185	HDBK26
16.	INE040A08AA3	5,350.00	June 24, 2026	954231	HDBK26A
17.	INE040A08484	10,000.00	August 24, 2026	954696	HDBK26
18.	INE040A08450	20,000.00	November 18, 2026	955251	HDBK26

S. No.	ISIN	Amount (₹ in million)	Maturity date	BSE scrip code	NSE security code
19.	INE040A08567	11,850.00	March 27, 2027	955992	HDBK27
20.	INE040A08492	1,800.00	April 13, 2027	956177	HDBK27A
21.	INE040A08625	1,600.00	April 24, 2027	956208	HDBK27B
22.	INE040A08732	29,530.00	October 16, 2028	958312	HDBK28
23.	INE040A08872	12,350.00	November 1, 2028	958353	HDBK28D
24.	INE040A08AB1	90,000.00	November 29, 2028	958406	HDBK28
25.	INE040A08765	50,000.00	December 21, 2028	958466	HDBK28
26.	INE040A08724	50,000.00	March 27, 2029	958674	HDBK29
27.	INE040A08740	20,000.00	August 14, 2029	958928	HDBK29
28.	INE040A08AC9	60,000.00	October 22, 2029	959041	HDBK29
29.	INE040A08690	20,050.00	February 28, 2030	959308	HDBK30
30.	INE040A08815	40,000.00	June 17, 2030	959581	HDBK30
31.	INE040A08849	50,000.00	September 29, 2025	960066	HDBK25
32.	INE040A08856	50,000.00	November 25, 2025	960239	HDBK25
33.	INE040A08864	50,000.00	January 8, 2031	960405	HDBK31
34.	INE040A08708	70,000.00	May 29, 2026	973215	HDBK26
35.	INE040A08AD7	20,000.00	June 16, 2031	973236	HDBK31
36.	INE040A08781	25,000.00	September 24, 2031	973486	HDBK31A
37.	INE040A08831	30,000.00	November 12, 2031	973572	HDBK31
38.	INE040A08963	100,000.00	December 1, 2031	973610	HDBK31
39.	INE040A08633	100,000.00	March 10, 2032	973837	HDBK32
40.	INE040A08658	77,428.00	May 25, 2032	973949	HDBK32
41.	INE040A08823	31,110.00	June 28, 2027	974057	HDBK27
42.	INE040A08807	110,000.00	July 27, 2032	974072	HDBK32
43.	INE040A08773	90,070.00	September 6, 2032	974152	HDBK32
44.	INE040A08799	66,534.00	October 12, 2032	974297	HDBK32
45.	INE040A08641	40,010.00	November 18, 2025	974369	HDBK25
46.	INE040A08674	19,000.00	November 24, 2032	974382	HDBK32
47.	INE040A08AI6	16,000.00	January 27, 2033	974560	HDBK33
48.	INE040A08914	231,872.00	February 17, 2033	974595	HDBK33
49.	INE040A08666	132,400.00	May 3, 2033	974814	HDBK33
50.	INE040A08955	30,000.00	May 16, 2028	974841	HDBK28
51.	INE040A08930	25,600.00	May 25, 2033	974858	HDBK33
52.	INE040A08AF2	121,570.00	June 13, 2033	974900	HDBK33

ii. HDFC Life Insurance Company Limited

The equity shares of HDFC Life Insurance Company Limited are listed and traded on BSE (Scrip Code: 540777), NSE (Symbol: HDFCLIFE) under the ISIN: INE795G01014.

Further, the non-convertible debentures of HDFC Life Insurance Company Limited are listed on NSE, the details of which are provided below:

S. No.	ISIN	Amount (in ₹ million)	Maturity date	Scrip Code
1.	INE795G08019	6,000.00	July 29, 2030	HDFCLIFE
2.	INE795G08035	10,000.00	October 9, 2034	HDFCLIFE
3.	INE795G08027	3,500.00	June 22, 2032	HDFCLIFE
4.	INE795G08043	10,000.00	February 14, 2035	HDFCLIFE

iii. HDFC ERGO General Insurance Company Limited

The non-convertible debentures of HDFC ERGO General Insurance Company Limited are listed on BSE, the details of which are provided below:

S. No.	ISIN	Amount (in ₹ million)	Maturity date	Scrip Code
1.	INE225R08014	3,750.00	November 9, 2031	973567
2.	INE225R08022	800.00	September 19, 2032	974202
3.	INE225R08030	3,000.00	February 20, 2033	974609
4.	INE225R08048	3,200.00	September 26, 2033	975112
5.	INE225R08055	3,250.00	March 17, 2035	976500

For details regarding capital issues by our Group Companies, please see “Other Regulatory and Statutory Disclosures” on page 495.

HDFC ERGO General Insurance Company Limited has issued equity shares on rights basis in Fiscal 2024, other than the aforementioned, none of our Group Companies have made any public or rights issue or composite issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Updated Draft Red Herring Prospectus-I.

As on the date of this Updated Draft Red Herring Prospectus-I, there is no conflict of interest between the third party service providers or the lessor of the immovable properties (crucial for operations of the Company), and our Group Companies and its directors.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

1. Our Board of Directors has authorised the Offer by a resolution passed in their meeting held on December 24, 2024.
2. Our Shareholders have approved and authorised the Fresh Issue by way of a special resolution passed at their extraordinary general meeting held on December 26, 2024.
3. The Fund Raising Committee has pursuant to its resolution dated December 26, 2024 taken on record the consents/authorizations for the Offer for Sale for the Offered Shares by the Selling Shareholders.
4. The Board has pursuant to its resolution dated June 9, 2025 taken on record the revised consents for the Offer for Sale for the Offered Shares by the HDFC Bank Limited.
5. The Pre-filed Draft Red Herring Prospectus was approved by our Board through its resolution in its meeting dated December 24, 2024, and by the Fund Raising Committee through its resolution in its meeting dated December 26, 2024.
6. This Updated Draft Red Herring Prospectus - I was approved by our Fund Raising Committee through its resolution in its meeting dated June 26, 2025.

Approval from the Selling Shareholders

Each of the Selling Shareholders have, severally and not jointly, authorized their participation with respect to their respective proportion of the Offered Shares pursuant to the Offer for Sale.

Name of the Selling Shareholder	Maximum number of Offered Shares	Date of the consent letter to participate in the Offer for Sale	Date of corporate action / board resolution/ committee of the board resolution / authorisation letter
Promoter Selling Shareholder			
Kopvoorn B.V.	Up to [●] equity shares of face value of ₹10 each aggregating up to ₹ 9,500.00 million	December 23, 2024	December 20, 2024
Other Selling Shareholder			
HDFC Bank Limited	Up to [●] equity shares of face value of ₹10 each aggregating up to ₹ 10,500.00 million	June 5, 2025	December 21, 2024

In terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, prior written permission of the RBI is required for any change in the shareholding of a Non-Banking Financial Company including progressive increases over time, which would result in the acquisition/ transfer of shareholding of 26% or more of the paid up equity capital of the NBFC. Since, the Offer does not result in the acquisition/ transfer of shareholding of 26% or more of the paid up equity capital of our Company, permission of the RBI is not required to be sought for the purpose of the Offer.

The Fund Raising Committee has taken on record the consents for participation in the Offer for Sale by the Selling Shareholders to the extent of their respective portion of the Offered Shares pursuant to its resolutions dated December 26, 2024. Subsequently, the Board has taken on record the revised consent for participation in the Offer for Sale by the HDFC Bank Limited pursuant to its resolution dated June 9, 2025. Each of the Selling Shareholders, severally and not jointly, confirms that it is eligible to participate in the Offer for Sale in accordance with Regulation 8 read with Regulation 59B of the SEBI ICDR Regulations.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters each dated March 4, 2025.

Prohibition by the Securities and Exchange Board of India, Reserve Bank of India or other governmental authorities

Our Company, our Promoter, our Directors, the member of the Promoter Group and the persons in control of our Company 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.

Each of the Selling Shareholders, severally and not jointly, confirms that it is not 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.

Compliance with the Significant Beneficial Owners Rules, 2018

Our Company, our Promoter, Other Selling Shareholder and the member of the Promoter Group are in compliance with the SBO Rules, to the extent in force and as applicable, in relation to their respective holding in the Company, as on the date of this Updated Draft Red Herring Prospectus-I.

Directors associated with the securities market

Except as disclosed below, none of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Updated Draft Red Herring Prospectus-I:

Damodarannair Sundaram						
A. TVS Capital Funds Private Limited						
SEBI Registration No.	Category of registration	Date of expiry of registration	If registration has elapsed, reasons for non-renewal	Details of outstanding action (including enquiry or investigation) initiated by SEBI in the last five years	Penalty imposed by SEBI, if any (penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory orders)	Outstanding fees payable to SEBI, if any
INP000004466	Portfolio Manager	NA	NA	Nil		

V S Rangan						
A. HDFC Bank Limited						
SEBI Registration No.	category of registration	Date of expiry of registration	If registration has elapsed, reasons for non-renewal	Details of outstanding action (including enquiry or investigation) initiated by SEBI in the last five years	Penalty imposed by SEBI, if any (penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory orders)	Outstanding fees payable to SEBI, if any
INF231133531	Derivative Segment-CM- NSE	NA	NA	Nil		
IN/CUS/001	Custodial Services	NA	NA			
IN-DP-491-2020	Depository Participant –	NA	NA			

	NSDL & CDSL			
INBI00000063	Bankers to the issue	NA	NA	
INE261314533	Currency Derivatives Segment – CM & TM - MCX	NA	NA	
INE231307831	Currency Derivatives Segment – CM & TM - NSE	NA	NA	
INF011178334	Derivatives Segment – CM -BSE	NA	NA	
INM000011252	Merchant Bankers	NA	NA	
INF011178334	Interest Rate Futures Segment – CM & TM - BSE	NA	NA	
INE011316135	Currency Derivative Segment – CM & TM - BSE	NA	NA	
NA	Designated Depository Participant	NA	NA	
B. HDFC Asset Management Company Limited				
MF/044/00/6	Mutual Fund	NA	NA	Nil
INP000000506	Portfolio Managers (PMS)	NA	NA	
IN/AIF2/12-13/0038	HDFC AMC AIF-II (Category II)	NA	NA	

Ankit Singhal						
C. Bandhan AMC Limited						
SEBI Registration No.	category of registration	Date of expiry of registration	If registration has elapsed, reasons for non-renewal	Details of outstanding action (including enquiry or investigation) initiated by SEBI in the last five years	Penalty imposed by SEBI, if any (penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory orders)	Outstanding fees payable to SEBI, if any
MF/042/00/3	Mutual Fund	NA	NA	Nil		
INP000002064	Portfolio Management Services	NA	NA			
IN/AIF3/17-18/0390	Bandhan India Equity Hedge Fund (Category III Alternative Investment Fund)	NA	NA			

Anuranjita Kumar

D. ICRA Limited						
SEBI Registration No.	category of registration	Date of expiry of registration	If registration has elapsed, reasons for non-renewal	Details of outstanding action (including enquiry or investigation) initiated by SEBI in the last five years	Penalty imposed by SEBI, if any (penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory orders)	Outstanding fees payable to SEBI, if any
IN/CRA/008/15	Credit Rating Agency	NA	NA	Nil		

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held as monetary assets, provided that if more than 50% of the net tangible assets are held in monetary assets, our Company has utilised or made firm commitments to utilise such excess monetary assets in our business;
- our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- our Company has a Net Worth of at least ₹10 million in each of the three preceding full years (of 12 months each), calculated on a restated basis; and
- Regulation 6(1)(d) of the SEBI ICDR Regulations is not applicable since there has been no change in the activities carried out by our Company post change in our name from 'HDFC Credila Financial Services Limited' to 'Credila Financial Services Limited' with effect from October 21, 2024.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Financial Information included in this Updated Draft Red Herring Prospectus-I as at, and for the last three Fiscals are set forth below:

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Net tangible assets (A)	85,586.83	49,475.18	23,766.30
Monetary assets (B)	40,027.63	21,222.10	5,175.37
Monetary assets, as a percentage of net tangible assets, as restated (in %) (C) = (B) / (A)*100	46.77	42.89	21.78
Operating Profit/ (loss), as restated	13,197.04	7,083.65	3,702.05
Net worth, as restated	86,945.06	50,433.64	24,350.92

Notes:

- (1) 'Net tangible assets' means the sum of all net assets of the Company, excluding intangible assets and right of use assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets and liabilities as defined in Ind AS 12 and issued by Institute of Chartered Accountants of India.
- (2) "Monetary assets" is the aggregate of cash on hand and balance with banks (including other bank balances and interest accrued thereon).
- (3) 'Operating Profit/(loss)' has been calculated as restated profit before other income, exceptional item and tax expenses.
- (4) 'Net worth' means aggregate of equity share capital and other equity as at the end of the year.
- (5) Average operating profit/(loss), as restated is the simple average of Operating Profit/(loss), as restated.

Our Company has operating profits in each of the Fiscals 2025, 2024 and 2023 in terms of our Restated Financial Information, as indicated in the table above. Our average operating profit, as restated, for Fiscals 2025, 2024 and 2023 is ₹7,994.24 million.

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 compliance 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 Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- a. Neither our Company nor the Promoter, member of the Promoter Group, the Directors or the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
- b. Neither our Promoter nor any of our Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- c. Neither our Promoter nor any of our Directors has been declared a Fugitive Economic Offender.
- d. 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 Updated Draft Red Herring Prospectus-I.
- e. None of our Company, our Promoter or Directors is a Wilful Defaulter or Fraudulent Borrower.

Each of the Selling Shareholders, severally and not jointly, confirm that the Equity Shares being offered by each Selling Shareholder as part of the Offer for Sale have been held for a period of at least one year prior to the date this Updated Draft Red Herring Prospectus - I in compliance with Regulation 8 read with Regulation 59B of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS UPDATED DRAFT RED HERRING PROSPECTUS-I TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS UPDATED DRAFT RED HERRING PROSPECTUS-I. THE BRLMs, AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, IIFL CAPITAL SERVICES LIMITED (FORMERLY KNOWN AS IIFL SECURITIES LIMITED) AND JEFFERIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS UPDATED DRAFT RED HERRING PROSPECTUS-I 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 OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS UPDATED DRAFT RED HERRING PROSPECTUS-I, THE SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS UPDATED DRAFT RED HERRING PROSPECTUS-I IN RELATION TO THEMSELF FOR THEIR OFFERED SHARES, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND EACH OF THE SELLING SHAREHOLDER, SEVERALLY AND NOT JOINTLY, DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS

PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 26, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS UPDATED DRAFT RED HERRING PROSPECTUS-I DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS UPDATED DRAFT RED HERRING PROSPECTUS-I.

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All applicable legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Updated Draft Red Herring Prospectus-I 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 at <https://credila.com> would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, investment managers, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, and its respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Selling Shareholders

The Selling Shareholders, its respective directors, affiliates, associates, partners, designated partners, trustees and officers, as applicable, accept no responsibility for statements made otherwise than in this Updated Draft Red Herring Prospectus-I (except only to the extent of those statements expressly made or confirmed by such Selling Shareholder in this Updated Draft Red Herring Prospectus-I solely in relation to itself and its respective portion of the Offered Shares) 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 at <https://credila.com>, or the respective websites of any affiliate of our Company or the respective websites of the Book Running Lead Managers or the respective websites any of the Selling Shareholders would be doing so at his or her own risk.

Bidders will be required to confirm and will be deemed to have represented to each of the Selling Shareholders and/or their respective directors, partners, designated partners, trustees, associates, officers, agents, affiliates, and

representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Each of the Selling Shareholders and/or their respective directors, partners, designated partners, trustees, associates, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Offer 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, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds registered with the SEBI, VCFs, AIFs, public financial institutions as specified under Section 2(72) of the Companies Act, scheduled commercial banks, state industrial development corporation, permitted national investment funds, NBFC-SIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, permitted insurance companies and pension funds, insurance funds set up and managed by the army, navy or air force and insurance funds set up and managed by the Department of Posts, Government of India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Updated Draft Red Herring Prospectus-I does not constitute an invitation to subscribe to, offer to sell or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Updated Draft Red Herring Prospectus-I comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus for the Offer. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

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 Updated Draft Red Herring Prospectus-I has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Updated Draft Red Herring Prospectus-I may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Updated Draft Red Herring Prospectus-I, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of our Company and any of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and transfer restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus-I as “U.S. QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions”, as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of

institutional investors defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus-I as “QIBs”.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold to, and Bids may not be made by, persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Updated Draft Red Herring Prospectus-I or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

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 off-shore 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 the Pre-filed Draft Red Herring Prospectus was submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of the Pre-filed Draft Red Herring Prospectus, is set forth below:

“BSE Limited (“the Exchange”) has given vide its letter dated March 4, 2025, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer clause of the NSE

As required, a copy of the Pre-filed Draft Red Herring Prospectus was submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of the Pre-filed Draft Red Herring Prospectus, is set forth below:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/5061 dated March 04, 2025, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or

construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares proposed to be Allotted pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which our Company and every officer in default shall be liable to repay the money, with interest, in accordance with applicable law. For avoidance of doubt, each Selling Shareholder, shall be, severally and not jointly, liable to reimburse only to the extent of its respective portion of the Offered Shares, as required under Applicable Law, provided that none of the Selling Shareholders shall be responsible to pay such interest unless such delay is caused solely by, or is directly attributable to, an act or omission of such Selling Shareholder in relation to its respective portion of the Offered Shares.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Joint Statutory Auditors, the legal counsels appointed for the Offer, Redseer Strategy Consultants Private Limited, the bankers to our Company, the BRLMs and Registrar to the Offer, to act in their respective capacities, have been obtained; and (b) the Syndicate Members, Monitoring Agency, and Bankers to the Offer/Escrow Bank, Public Offer Bank, Sponsor Bank(s) and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.

Experts

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

Our Company has received the written consent dated June 26, 2025 from our Joint Statutory Auditors, namely, Price Waterhouse LLP, Chartered Accountants and Gokhale & Sathe, Chartered Accountants, respectively, to include their names as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their examination report dated June 9, 2025 on the Restated Financial Information, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I. A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the U.S. Securities Act, the Statutory

Auditors have not given consent under Section 7 of the U.S. Securities Act. In this regard, the Joint Statutory Auditors have given consent to be referred to as “experts” in this Updated Draft Red Herring Prospectus-I in accordance with the requirements of the Companies Act, 2013. The term “experts” as used in this Pref-filed Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act. The reference to the Joint Statutory Auditors as “experts” in this Updated Draft Red Herring Prospectus-I is not made in the context of the U.S. Securities Act but solely in the context of the Offer in India.

Our Company has received the written consent dated June 26, 2025 from one of our Joint Statutory Auditors, M/s. Gokhale & Sathe, Chartered Accountants to include its name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditor, and in respect of their report dated June 9, 2025 on the statement of possible special tax benefits available to the Company and its Shareholders, in this Updated Draft Red Herring Prospectus-I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.

Our Company has received the written consent dated June 26, 2025 from our Previous Statutory Auditor, Shah Gupta & Co, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Previous Statutory Auditor, and in respect of their examination report dated June 9, 2025 on our Restated Financial Information, in this Updated Draft Red Herring Prospectus-I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.

Our Company has received a written consent dated June 26, 2025 from Mukund M Chitale & Co., Independent Chartered Accountants holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under Section 2(38) of Companies Act 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Particulars regarding public or rights issues by our Company during the last five years

Except as stated in “*Capital Structure – Notes to our capital structure*” on page 108, our Company has not made any public issue or rights issue during the five years immediately preceding the date of this Updated Draft Red Herring Prospectus-I.

Commission, brokerage and selling commission paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years preceding the date of this Updated Draft Red Herring Prospectus-I.

Capital issue in the preceding three years by our Group Companies

Except for HDFC Bank Limited, HDFC Life Insurance Company Limited whose equity shares are listed on BSE and NSE, the equity shares of our Group Companies are not listed on any stock exchange in India or abroad.

Except as disclosed below, none of our Group Companies have made capital issue of securities in the three years preceding the date of this Updated Draft Red Herring Prospectus-I:

Name of the Group Company	HDFC ERGO General Insurance Company Limited
Year of issue	2024
Type of issue	Rights
Amount of issue	5,702,271,126
Date of closure of issue	August 30, 2024
Date of allotment	August 31, 2024
Date of credit of securities to the demat account	September 3, 2024
Date of completion of the project, where the object of the issue was financing the project	NA
Rate of dividend paid	35% for the Fiscal 2024

Further, our Company does not have any subsidiaries and associate as on the date of this Updated Draft Red Herring Prospectus-I. For details in relation to the capital issuances by our Company since incorporation, see “*Capital Structure*” at page 106.

Performance vis-à-vis objects – public/ rights issue of our Company

Except as stated in “*Capital Structure – Notes to our capital structure*” on page 108, our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Updated Draft Red Herring Prospectus-I.

Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries/Promoter of our Company

As on the date of this Updated Draft Red Herring Prospectus-I, our Company does not have any subsidiaries and the securities of our Promoter are not listed on any stock exchange.

Exemption under securities laws

Our Company has not applied to SEBI for any exemption from complying with any provisions of securities laws, as on the date of this Updated Draft Red Herring Prospectus-I.

Observations by regulatory authorities

Except as disclosed in “*Risk Factors*” on page 42 and elsewhere in this Updated Draft Red Herring Prospectus-I, there are no findings or observations pursuant to any inspections by SEBI or any other regulatory authority in India which are material and are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

Past price Information of past issues handled by the BRLMs

A. Axis Capital Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited

S. No.	Issue name	Issue size (in ₹ million)	Offer Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Oswal Pumps Limited ⁽²⁾	13,873.40	614.00	20-Jun-25	634.00	-	-	-
2.	Schloss Bangalore Limited ⁽²⁾	35,000.00	435.00	02-Jun-25	406.00	-	-	-
3.	Belrise Industries Limited ⁽²⁾	21,500.00	90.00	28-May-25	100.00	-	-	-
4.	Ather Energy Limited ^{§(2)}	29,808.00	321.00	6-May-25	328.00	-4.30%, [+0.99%]	-	-
5.	Carraro India Limited ⁽²⁾	12,500.00	704.00	30-Dec-24	651.00	-27.73%, [-2.91%]	-56.10%, [-0.53%]	-
6.	Ventive Hospitality Limited ^{¶(2)}	16,000.00	643.00	30-Dec-24	716.00	+5.51%, [-2.91%]	+10.80%, [-0.53%]	-
7.	Transrail Lighting Limited ⁽¹⁾	8,389.12	432.00	27-Dec-24	585.15	+24.45%, [-3.19%]	+14.25%, [-1.79%]	+48.37%, [+4.26%]
8.	International Gemmological Institute (India) Limited ^{^ (2)}	42,250.00	417.00	20-Dec-24	510.00	+24.24%, [-1.63%]	-21.39%, [-2.88%]	-11.45%, [+5.37%]
9.	Zinka Logistics Solutions Limited ^{%(1)}	11,147.22	273.00	22-Nov-24	280.90	+84.47%, [-1.36%]	+54.41%, [-4.02%]	+78.50%, [+2.62%]
10.	Niva Bupa Health Insurance Company Limited ⁽²⁾	22,000.00	74.00	14-Nov-24	78.14	+12.97%, [+5.25%]	+8.09%, [-1.96%]	+14.96%, [+5.92%]

Source: www.nseindia.com and www.bseindia.com

⁽¹⁾BSE as Designated Stock Exchange

⁽²⁾NSE as Designated Stock Exchange

[§] Offer Price was ₹ 291.00 per equity share to Eligible Employees

[¶] Offer Price was ₹ 613.00 per equity share to Eligible Employees

[^] Offer Price was ₹ 378.00 per equity share to Eligible Employees

[%] Offer Price was ₹ 248.00 per equity share to Eligible Employees

Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.

b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

c. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues handled by Axis Capital Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Less than 25%
2025-26*	4	100,181.40	-	-	-	-	-	-	-	-	-	-	-	-
2024-25	20	445,928.65	-	1	2	7	6	4	-	2	3	9	1	3
2023-24	18	218,638.22	-	-	4	2	6	6	-	-	3	7	4	4

* The information is as on the date of the document.

The information for each of the Financial Years is based on issues listed during such Financial Year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. Citigroup Global Markets India Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Citigroup Global Markets India Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Offer Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
11.	Schloss Bangalore Limited	35,000.00	435.00	June 2, 2025	406.00	NA	NA	NA
12.	Hexaware Technologies Limited	87,500.00	708.00	February 19, 2025	745.50	+3.45% [+1.12%]	+5.16% [+8.78%]	NA
13.	Ajax Engineering Limited	12,688.84	629.00	February 17, 2025	576.00	-2.86% [-0.55%]	+6.78% [+8.97%]	NA
14.	Swiggy Limited	113,274.27	390.00	November 13, 2024	420.00	+29.31% [+4.20%]	-7.15% [-0.75%]	-19.72% [+1.91%]
15.	Hyundai Motor India Limited	278,556.83	1,960.00	October 22, 2024	1,934.00	-6.64% [-3.90%]	-8.72% [-5.19%]	-15.22% [-2.54%]
16.	Northern Arc Capital Limited	7,770.00	263.00	September 24, 2024	350.00	-7.15% [-5.80%]	-15.71% [-9.07%]	-33.46% [-9.98%]
17.	Ola Electric Mobility Limited	61,455.59	76.00	August 9, 2024	76.00	+44.17% [+1.99%]	-2.11% [+0.48%]	-1.51% [-2.58%]
18.	Akums Drugs and Pharmaceuticals Ltd	18,567.37	679.00	August 6, 2024	725.00	+32.10% [+5.03%]	+26.02% [+1.30%]	-15.67% [-2.13%]
19.	Aadhar Housing Finance Limited	30,000.00	315.00	May 15, 2024	315.00	+25.56% [+5.40%]	+33.70% [+9.67%]	+45.98% [+8.77%]
20.	Indegene Limited	18,417.59	452.00	May 13, 2024	655.00	+24.28% [+5.25%]	+26.60% [+10.24%]	+52.57% [+9.25%]

Notes:

- Benchmark index basis designated stock exchange.
- % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.

3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on designated stock exchange of a trading day immediately prior to the 30th / 90th / 180th day, is considered.
4. Restricted to last 10 issues.

2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Less than 25%
2025-26	1	35,000.00	-	-	-	-	-	-	-	-	-	-	-	-
2024-25	9	628,230.49	-	-	3	-	4	2	-	1	4	1	1	-
2023-24	5	94,584.85	-	-	-	1	2	2	-	-	-	2	3	-

Source: www.nseindia.com

Notes:

1. The information is as on the date of the document.
2. The information for each of the Financial Years is based on issues listed during such Financial Year.
3. Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

C. Goldman Sachs (India) Securities Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Goldman Sachs (India) Securities Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Offer Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Bajaj Housing Finance Limited	65,600.00	70	September 16, 2024	150.00	+99.86% / [-1.29]%	+89.23%/-2.42%	+64.64%/-11.77%
2.	Ola Electric Mobility Limited	61,455.59	76 ¹	August 9, 2024	76.00	+44.17% / [+1.99]%	-2.11%/[0.48%]	-1.51%/-2.58%
3.	TBO Tek Limited	15,508.09	920	May 15, 2024	1,426.00	+69.94% / [+5.40]%	+84.90%/[+9.67%]	+85.23%/[+8.77%]

Notes:

1. In Ola Electric Mobility Limited, the issue price to eligible employees was ₹ 69 after a discount of ₹ 7 per equity share
2. All data sourced from www.nseindia.com
3. Benchmark index considered is NIFTY 50
4. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the previous trading day has been considered

2. Summary statement of price information of past issues handled by Goldman Sachs (India) Securities Private Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2025-26	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2024-25	3	142,563.68	NA	NA	NA	2	1	NA	NA	NA	1	2	NA	NA
2023-24	0	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- The information is as on the date of this Updated Draft Red Herring Prospectus - I.
- The information for each of the financial years is based on issues listed during such financial year.

D. IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

Sr. No.	Issuer Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	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.	Zinka Logistics Solutions Limited	11,147.22	273.00 ⁽¹⁾	BSE	November 22, 2024	279.05	+84.47%, [-1.36%]	+54.41%, [-4.02%]	+78.50%, [+2.62%]
2.	NTPC Green Energy Limited	1,00,000.00	108.00 ⁽²⁾	NSE	November 27, 2024	111.50	+16.69%, [-2.16%]	-8.89%, [-7.09%]	+3.00%, [+2.38%]
3.	Sai Life Sciences Limited	30,426.20	549.00	NSE	December 18, 2024	650.00	+30.57%, [-3.67%]	+28.39%, [-6.98%]	+40.26%, [+2.15%]
4.	Ventive Hospitality Limited	16,000.00	643.00 ⁽³⁾	NSE	December 30, 2024	716.00	+5.51%, [-2.91%]	+10.80%, [-0.53%]	N.A.
5.	Standard Glass Lining Technology Limited	4,100.51	140.00	NSE	January 13, 2025	172.00	+14.49%, [-0.06%]	-2.76%, [-1.11%]	N.A.

Sr. No.	Issuer Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	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
6.	Hexaware Technologies Limited	87,500	708.00 ⁽⁴⁾	NSE	February 19, 2025	745.50	+3.45%, [+1.12%]	+5.16%, [+8.78%]	N.A.
7.	Aegis Vopak Terminals Limited	28,000.00	235.00	BSE	June 2, 2025	220.00	N.A.	N.A.	N.A.
8.	Schloss Bangalore Limited	35,000.00	435.00	NSE	June 2, 2025	406.00	N.A.	N.A.	N.A.
9.	Oswal Pumps Limited	13,873.40	614.00	NSE	June 20, 2025	634.00	N.A.	N.A.	N.A.
10.	Arisinfra Solutions Limited	4,995.96	222.00	NSE	June 25, 2025	205.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

- (1) A discount of Rs. 25 per equity share was offered to eligible employees bidding in the employee reservation portion.
(2) A discount of Rs. 5 per equity share was offered to eligible employees bidding in the employee reservation portion.
(3) A discount of Rs. 30 per equity share was offered to eligible employees bidding in the employee reservation portion.
(4) A discount of Rs. 67 per equity share was offered to eligible employees bidding in the employee reservation portion.

*Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Summary statement of price information of past issues handled by IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	15	1,54,777.80	-	-	4	3	4	4	-	-	1	5	4	5
2024-25	16	4,81,737.17	-	-	1	6	4	5	-	2	-	6	3	2
2025-26	4	81,869.36	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

NA means Not Applicable.

E. Jefferies India Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jefferies India Private Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Aegis Vopak Terminals Limited [^]	28,000.00	235.00	June 2, 2025	220.00	NA	NA	NA
2	Belrise Industries Limited ^{^^}	21,500.00	90.00	May 28, 2025	100.00	NA	NA	NA
3	Dr. Agarwal's Healthcare Limited [^]	30,272.60	402.00	February 4, 2025	396.90	+3.82% [-6.18%]	-12.14% [+2.44%]	NA
4	Inventurus Knowledge Solutions Limited ^{^^}	24,979.20	1,329.00	December 19, 2024	1,900.00	+40.85% [-3.13%]	+13.77% [-4.67%]	+30.17% [+4.15%]
5	Vishal Mega Mart Limited ^{^^}	80,000.00	78.00	December 18, 2024	104.00	+39.96% [-3.67%]	+29.95% [-6.98%]	+58.58% [+2.15%]
6	Sai Life Sciences Limited ^{^^}	30,426.20	549.00	December 18, 2024	650.00	+30.57% [-3.67%]	+28.39% [-6.98%]	+40.26% [+2.15%]
7	Swiggy Limited ^{^^}	113,274.27	390.00 ⁽¹⁾	November 13, 2024	420.00	+29.31% [+4.20%]	-7.15% [-0.75%]	-19.72% [+1.91%]
8	Sagility India Limited ^{^^}	21,062.18	30.00 ⁽²⁾	November 12, 2024	31.06	+42.90% [+3.18%]	+75.40% [-1.35%]	+36.10% [+0.52%]
9	Afcons Infrastructure Limited ^{^^}	54,300.00	463.00 ⁽³⁾	November 4, 2024	426.00	+6.56% [+1.92%]	+2.03% [-2.03%]	-9.29% [+1.46%]
10	Waaree Energies Limited ^{^^}	43,214.40	1,503.00	October 28, 2024	2,500.00	+68.05% [-0.59%]	+49.15% [-5.12%]	+78.08% [-1.23%]

NA- Not Applicable, as the relevant period is not completed.

Data Restricted to last 10 equity initial public issues.

^{^^}NSE as designated stock exchange

[^]BSE as designated stock exchange

1. A discount of ₹ 25 per equity was offered to eligible employees bidding in the employee reservation portion.
2. A discount of ₹ 2 per equity was offered to eligible employees bidding in the employee reservation portion.
3. A discount of ₹ 44 per equity was offered to eligible employees bidding in the employee reservation portion.

2. Summary statement of price information of past issues handled by Jefferies India Private Limited:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th 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%
2025 – 2026*	2	49,500.00	-	-	-	-	-	-	-	-	-	-	-	-
2024 – 2025	10	432,557.21	-	-	-	2	6	2	-	-	2	3	4	-
2023 – 2024	3	74,768.76	-	-	1	-	2	-	-	-	1	2	-	-

* This data covers issues up to YTD

Notes:

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is “NIFTY 50” where NSE is the designated stock exchange and “S&P BSE SENSEX” where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.
4. The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs mentioned below:

BRLMs	Website
Axis Capital Limited	www.axiscapital.co.in
Citigroup Global Markets India Private Limited	www.citigroup.com
Goldman Sachs (India) Securities Private Limited	www.goldmansachs.com
IIFL Capital Services Limited (<i>formerly known as IIFL Securities Limited</i>)	www.iiflcap.com
Jefferies India Private Limited	www.jefferies.com

For further details in relation to the BRLMs, see “General Information – Book Running Lead Managers” on page 96.

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Updated Draft Red Herring Prospectus-I, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

SEBI, by way of its master circular bearing number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 (“**SEBI ICDR Master Circular**”), 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 for cancelled / withdrawn / deleted cases in the stock exchange platforms, failure to unblock funds in cases of partial allotment by the next working day from the finalisation of basis of allotment, failure to unblock the funds in cases of non-allotment by the Issue Closing Date, SCSBs blocking multiple amounts for the same UPI mechanism, and SCSBs blocking more amount in the investors’ accounts than the application amount.

As per the SEBI ICDR Master Circular, 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 and invoice in the inbox by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank to the intermediaries forming part of the closed user group wide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members only to once per Bid; 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 finalisation of the Basis of Allotment.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, in accordance with the SEBI ICDR Master Circular, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI ICDR Master Circular and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum or such other rate of interest as may be prescribed under applicable law for any delay beyond this period of 15 days.

The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From three Working Days from Bid/Offer Closing Date till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

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 RTA Master Circular.

Further, in terms of SEBI ICDR Master Circular, read with SEBI master circular (SEBI/HO/MIRSD/POD-1/P/CIR/2024/37) dated May 7, 2024, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, with a copy to the Registrar, no later than 30 days from the finalization of Basis of Allotment by the Registrar to the Offer, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the last date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer, the BRLMs and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.

All grievances in relation to the Bidding process, other than those of the Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Our Company, the Selling Shareholders, the BRLMs, and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of investor grievances by our Company

Our Company has obtained authentication on the SEBI SCORES in terms of the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, and issue of duplicate shares. Each of the Selling Shareholders have, severally and not jointly, authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Investors can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre - Offer or post - offer related problems such as non - receipt of letters of Allotment, non-credit of Allotted Equity Shares of face value of ₹10 each in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. Our Company has also appointed Karishma Jhaveri, Company Secretary as the compliance officer for the Offer. For details, "*General Information- Company Secretary and Compliance Officer*" on page 96.

Our Company has not received any investor complaint during the three years preceding the date of this Updated Draft Red Herring Prospectus-I. Further, no investor complaint in relation to our Company is pending as on the date of this Updated Draft Red Herring Prospectus-I.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Investor complaints in respect of our listed Group Companies:

In relation to HDFC Bank Limited, there are eight investor complaints pending as on the date of this Updated Draft Red Herring Prospectus-I. Except as aforementioned, there are no investors complaints pending against our listed Group Companies, as on the date of this Updated Draft Red Herring Prospectus-I.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

There are no conflicts of interest between (i) the suppliers of raw materials and third party service providers (crucial for operations of our Company) or (ii) the lessors of our immovable properties (crucial for our operations) and our Company, Promoter, Promoter Group, Key Managerial Personnels, Directors, Subsidiaries and their directors.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, transfer of securities and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the GoI, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

The expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in the section “*Object of the Offer – Offer Expenses*” on page 131.

Ranking of Equity Shares

The Equity Shares being offered and Allotted/transferred in the Offer will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association and Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of voting rights, dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see “*Description of Equity Shares and Terms of Articles of Association*” on page 556.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, the Memorandum of Association and Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect and any other applicable laws. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 318 and 556, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price is ₹[●] per Equity Share. The Floor Price of the Equity Shares is ₹[●] and the Cap Price of the Equity Shares is ₹[●], being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Offer Price and the Anchor Investor Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and shall be published at least two Working Days prior to the Bid/Offer Opening Date, in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time there shall be only one denomination for the Equity Shares.

Employee Discount

Employee discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of employee discount, if any, as applicable at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less employee discount, if any, as applicable, at the time of making a Bid.

Compliance with disclosures and accounting norms

Our Company shall comply with all applicable disclosures and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, the Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, 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 our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 556.

Market lot and trading lot and Allotment of Equity Shares in dematerialized form

In terms of Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations and the SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchanges. In this context, the following tripartite agreements had been entered into amongst the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated December 19, 2024 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated December 19, 2024 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Offer Procedure*” on page 530.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The competent courts / authorities of Mumbai, Maharashtra India will have sole and exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See “– Bid/Offer Programme” on page 519.

Nomination facility

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or 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, will vest to the exclusion of the 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), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder's death during 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 nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. 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 Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may, at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Offer Programme

BID/OFFER OPENS ON	[●]⁽¹⁾
BID/OFFER CLOSES ON	[●]⁽²⁾⁽³⁾

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

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

⁽³⁾ UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer 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 [●]

** (i) In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher 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), and 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 different amount (i.e., the blocked amount less the Bid Amount) shall be instantly revoked and 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 three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The post-Offer BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide an application for release of processing fee to the BRLMs in compliance with SEBI ICDR Master Circular.

This above timetable other than the Bid/Offer Closing Date is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs or the Syndicate Members.

While our Company and the Selling Shareholders 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 within such timelines, as may be prescribed by the SEBI, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. 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. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Updated Draft Red Herring Prospectus-I may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Any circulars or notifications from SEBI post the date of this Updated Draft Red Herring Prospectus-I may result in changes to the above-mentioned timelines. Further, the Offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("IST")

Bid/Offer Closing Date*	
Submission of Bids	<p>Electronic Applications</p> <p>i. Online ASBA through 3-in-1 accounts – Only between 10.00 a.m. and 5.00 p.m. IST. - For RIIs, other than QIBs and Non-Institutional Investors</p> <p>Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.5million – Only between 10.00 a.m. and 4.00 p.m. IST.</p> <p>i. Syndicate Non-Retail, Non-Individual Applications – Only between 10.00 a.m. and 3.00 p.m. IST</p> <p>Physical Applications</p> <p>i. Bank ASBA – Only between 10.00 a.m. and 1.00 p.m. IST.</p> <p>Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹0.5 million – Only between 10.00 a.m. and 12.00 p.m. IST and Syndicate members shall transfer such applications to banks before 1 p.m. IST.</p>
Modification/ Revision/cancellation of Bids	
Modification of Bids by QIBs and Non-Institutional Investors categories and modification/cancellation of Bids by Retail Individual Bidders [#]	Only between 10.00 a.m. and 5.00 p.m. IST
Upward Revision of Bids by QIBs and Non-Institutional Investors categories ^{###}	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST

Our Company in consultation with the BRLMs, may decide to close the Bid/ Offer Closing Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.

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

^{###}QIBs and Non-Institutional Investors can neither revise their Bids downwards nor cancel/withdraw their Bids.

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- (i) 4:00 p.m. IST for Bids by QIBs and Non-Institutional Investors; and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis, as per the format prescribed in SEBI ICDR Master Circular.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date, and are advised to submit their Bids no later than

prescribed time on the Bid/ Offer Closing Date. Any time mentioned in this Updated Draft Red Herring Prospectus-I is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Working Days, during the Bid/Offer Period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

In case of any 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 shall be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

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

Minimum Subscription

In the event our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of Fresh Issue on Bid/offer closing date, including through the devolvement of Underwriters, in accordance with the applicable laws, after the Bid/Offer Closing Date, or if the level of subscription falls below the threshold specified above on account of withdrawal of applications or after technical rejections or for any other reason whatsoever; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company and the Selling Shareholders, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay in refunding the amount beyond four days, our Company shall pay interest at the rate of 15% per annum in accordance with the UPI Circulars. Each of the Selling Shareholders shall, severally and not jointly, reimburse any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act, 2013, the UPI Circulars and any other applicable law, only to the extent of portion of Equity Shares offered by respective Selling Shareholders in the Offer, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest if such delay is not attributable to an act or omission of such Selling Shareholders in relation to its portion of the Offered Shares.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 100% of the Fresh Issue, subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made towards the Offered Shares proportionately.

Each of the Selling Shareholders shall, severally and not jointly, reimburse, in proportion to its respective Offered Shares, any expenses and interest incurred by our Company on behalf of the Selling Shareholders, including for any delays in making refunds as required under the Companies Act, 2013 and any other applicable law, provided

that none of the Selling Shareholders shall be responsible to pay such interest unless such delay is caused solely by, or is directly attributable to, an act or omission of such Selling Shareholder in relation to its respective portion of the Offered Shares.

Undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs, 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. 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.

Arrangement for disposal of odd lots

Since our Equity Shares will be traded in dematerialized 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 Offer.

Restriction, if any, on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's Contribution and the Anchor Investor lock-in in the Offer as detailed in "*Capital Structure*" on page 106, and except as provided in our Articles of Association as detailed in "*Description of Equity Shares and Terms of Articles of Association*" on page 556, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting. Further, there are no restrictions on transmission of any shares/debentures of our Company and on their consolidation or splitting, except as provided in our Articles of Association.

Withdrawal of the Offer

Our Company, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and each Selling Shareholder, severally and jointly, reserves the right to not proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the withdrawal or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law, and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC.

Option to receive Equity Shares in Dematerialized form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

OFFER STRUCTURE

The Offer of up to [●] Equity Shares of face value of ₹10 each for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹30,000.00 million by our Company and an Offer of Sale of up to [●] equity shares of face value of ₹10 each, aggregating up to ₹20,000.00 million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The Offer includes a reservation of up to [●] Equity Shares aggregating to ₹[●] million for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. The Offer less the Employee Reservation Portion is the Net Offer.

A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹6,000.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) Shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

The Offer and Net Offer will constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors	Eligible Employees ⁽³⁾
Number of Equity Shares available for Allotment/allocation ^{^(2)}	Not more than [●] Equity Shares of face value ₹10 each	Not less than [●] Equity Shares of face value ₹10 each available for allocation or Net Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares of face value ₹10 each available for allocation or Net Offer less allocation to QIBs and Non-Institutional Investors	Up to [●] Equity Shares of face value ₹10 each
Percentage of Offer Size available for Allotment or allocation	Not more than 50% of the Net Offer size shall be available for allocation to QIBs Bidders. However, 5% of Net QIB Portion will 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 balance Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Investors will be available for allocation. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in	Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Investors	Up to [●] % of the post-Offer paid-up equity share capital of our Company

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors	Eligible Employees ⁽³⁾
		either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other subcategory of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price		
Basis of Allotment if respective category is oversubscribed [^]	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to [●] Equity Shares of face value ₹10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to [●] Equity Shares of face value ₹10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above</p> <p>(c) Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value ₹10 each) 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 domestic Mutual Funds at or above the Anchor Investor Allocation Price.</p>	<p>The allotment to each NII shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, subject to:</p> <p>(a) One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹0.20 million and up to ₹1.00 million; and</p> <p>(b) Two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million</p> <p>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 Investors.</p>	<p>Allotment to each Retail Individual Investor shall not be less than the minimum Bid lot, subject to availability of Equity Shares of face value of ₹ 10 each in the Retail Category and the remaining available Equity Shares shall be allocated on a proportionate basis. See “Offer Procedure” on page 530.</p>	<p>Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹0.20 million (net of Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million (net of Employee Discount) subject to total Allotment to an Eligible Employee up to ₹0.50 million (net of Employee Discount) each</p>

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors	Eligible Employees ⁽³⁾
		The Allotment to each Non-Institutional Investor 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 the SEBI ICDR Regulations		
Mode of Bidding*	Through ASBA process only (excluding the UPI Mechanism) except for Anchor Investors	Through ASBA process only (including the UPI Mechanism for an application size of up to ₹0.50 million)	Through ASBA process only (including the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹10 each so that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹10 each so that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares of face value ₹10 each	[●] Equity Shares of face value ₹10 each
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹10 each so that the Bid does not exceed the Net Offer size (excluding Anchor Investor portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹10 each so that the Bid does not exceed the Net Offer size (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹10 each so that the Bid Amount does not exceed ₹0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares of face value ₹10 each so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹0.50 million (net of Employee Discount)
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares of face value ₹10 each and in multiples of [●] Equity Shares of face value ₹10 each thereafter			
Allotment Lot	[●] Equity Shares of face value ₹10 each and in multiples of one Equity Share thereafter	[●] Equity Shares of face value ₹10 each and in multiples of one Equity Share thereafter. Allotment shall not be less than the minimum Non-Institutional application size.	[●] Equity Shares of face value ₹10 each and in multiples of one Equity Share thereafter	[●] Equity Shares of face value ₹10 each and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share			
Who can Apply ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Public financial institutions specified in Section 2(72) of the Companies Act, 2013, FPIs registered with SEBI (other than individuals, corporate bodies and family offices), scheduled	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts family offices and FPIs who are	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs	Eligible Employees such that the Bid Amount does not exceed ₹0.50 million (net of Employee Discount)

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors	Eligible Employees ⁽³⁾
	commercial banks, mutual funds registered with SEBI, venture capital funds registered with the SEBI, AIFs, multilateral and bilateral development financial institutions, state industrial development corporations, NBFC-SI, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹250.00 million, pension funds with a minimum corpus of ₹250.00 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI		
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾</p> <p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders, or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form.</p>			

[^]Assuming full subscription in the Offer

* SEBI vide its SEBI ICDR Master Circular, 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, Stock Exchanges shall, for all categories of investors viz. Retail, 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

⁽¹⁾ Our Company may, in consultation with the BRLMs, allocate up to 60.00% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company, in consultation with the BRLMs.

⁽²⁾ This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Net Offer will be available for allocation to Non-Institutional Investors, of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹0.20 million and up to ₹1.00 million and two-thirds of

the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. 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.

- (3) *Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹0.50 million (net off Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹0.20 million (net off Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net off Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net off Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids. Eligible Employee can also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹ 0.20 million (net of Employee Discount) in the Employee Reservation Portion. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. For further details, please see “Terms of the Offer” on page 517.*
- (4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder 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.*
- (5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*
- (6) *Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares, pursuant to the Offer.*

The Bids by FPIs with certain structures as described under “Offer Procedure – Bids by FPIs” on page 538 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. 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.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid. Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange.

OFFER 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 issued by SEBI and the UPI Circulars (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in Allotment or refund; and (xiii) disposal of application.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and any subsequent circulars or notifications issued by SEBI in this regard, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

This Updated Draft Red Herring Prospectus-I has been filed with SEBI and the Stock Exchanges under Chapter IIA of the SEBI ICDR Regulations and in compliance with the other applicable provisions of the SEBI ICDR Regulations. In terms of Regulation 59C(5) of the SEBI ICDR Regulations, our Company shall, after filing this Updated Draft Red Herring Prospectus-I with SEBI and the Stock Exchanges, publish an advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper Jansatta, all editions of the Marathi daily newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation, disclosing the fact of the filing of this Updated Draft Red Herring Prospectus-I.

Subject to market conditions and other regulatory approvals, after complying with observations issued by SEBI and the Stock Exchanges on the Pre-filed Draft Red Herring Prospectus with SEBI and the Stock Exchanges, this Updated Draft Red Herring Prospectus – I is being made public for comments, if any, for a period of at least 21 days from the date of filing of this Updated Draft Red Herring Prospectus – I with SEBI and the Stock Exchanges and will be available on the website of SEBI at <https://www.sebi.gov.in/>, the websites of the Stock Exchanges i.e. NSE at <https://www.nseindia.com/> and BSE at <https://www.bseindia.com/> and the websites of the BRLMs, i.e., Axis Capital Limited, Citigroup Global Markets India Private Limited, Goldman Sachs (India) Securities Private Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) and Jefferies India Private Limited, at www.axiscapital.co.in, www.citigroup.com, www.goldmansachs.com, www.iiflcap.com, www.jefferies.com, respectively, and the website of our Company at <https://credila.com>. Our Company will file the Updated Draft Red Herring Prospectus – II with SEBI, if required, post incorporation of changes pursuant to comments from public, if any, on this Updated Draft Red Herring Prospectus – I, along with any changes and observations issued by SEBI and post incorporation of other updates, if any, prior to the filing of the Red Herring Prospectus with the Registrar of Companies.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with timeline of T+6 days was mandated for a period of

three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). The applicability of UPI Phase II was extended from time to time. Thereafter, pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) was implemented by SEBI, voluntarily for all public issues opening on or after September 1, 2023 and has been made mandatory for all public issues opening on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**UPI Streamlining Circular**”) has instituted certain mechanisms towards the streamlining of applications made through the UPI Mechanism as well as redressal of investor grievances. The UPI Streamlining Circular came into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

Further, the SEBI ICDR Master Circular consolidated the aforementioned circulars and rescinded these circulars to the extent they relate to the SEBI ICDR Regulations. Furthermore, pursuant to SEBI ICDR Master Circular and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), all individual bidders in initial public offerings whose application size are up to ₹0.50 million shall use the UPI Mechanism and 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. Subsequently, pursuant to SEBI ICDR Master Circular and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company, the Selling Shareholders and the BRLMs, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Updated Draft Red Herring Prospectus - I. 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.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein more than 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the 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, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating up to [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, net of Employee Discount.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price.

Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least 25% of the post Offer paid-up Equity Share capital of our Company.

Investors must ensure that their PAN is linked with Aadhar prior to June 30, 2023 and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with read with press release dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), as applicable, shall be treated as incomplete and will be liable to 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 Offer, subject to applicable law.

Phased implementation of UPI for Bids by RIBs as per the UPI Circulars.

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase was applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no.

SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹0.50 million, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the 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.

Phase III: This phase was applicable on a voluntary basis for all public issues opening on or after September 1, 2023 and is now applicable on a mandatory basis for all public issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**T+3 Notification**”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

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 a sponsor bank 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 using the 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 the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI 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.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide an application for release of processing fee to the BRLMs in compliance with ICDR Master Circular. NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹0.20 million to ₹0.50 million for UPI based ASBA in initial public offerings.

For further details, please refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

Electronic registration of Bids

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges platform are considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.
- (d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer 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 Offer bidding process.

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 relevant Bidding Centres and at our Registered Office. Electronic copy of the Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. UPI Bidders shall Bid in the Offer 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 this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Applications made 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 Offer through the ASBA process. Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. UPI Bidders using UPI Mechanism, will be required to submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

Since the Offer is made under Phase III, (on a mandatory basis) ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIIs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

- (ii) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

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 Investors, UPI Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis ⁽¹⁾	[●]
Anchor Investors ⁽²⁾	[●]
Eligible Employees Bidding in the Employee Reservation Portion ⁽³⁾	[●]

* Excluding electronic Bid cum Application Forms

Notes:

1. Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)
2. The Anchor Investor Application Forms shall be available at the offices of the BRLMs
3. Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of the Company

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders) 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). Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹0.5 million and NII & QIB bids above ₹0.2 million through SCSBs only.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI ICDR Master Circular.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. In accordance with BSE Circular No. 20220803-40 and NSE Circular No. 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm IST on the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

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 through API integration 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 accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with the Cut-Off Time. Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Banks and the issuer banks shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- (a) Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
- (b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
- (c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.
- (d) Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Participation by Promoter and member of the Promoter Group of the Company, the Book Running Lead Managers, associates and affiliates of the Book Running Lead Managers and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase/subscribe to the Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase/subscribe to the Equity Shares in the Offer in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) can apply in the Offer under the Anchor Investor Portion.

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, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and member of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoter or member of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to a Promoter or member of the Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the 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.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme concerned for which the Bid is submitted.

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 or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their respective SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident External Accounts (“**NRE Account**”) (including UPI ID, if activated), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. NRIs applying in the Offer 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 Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by a NRI or an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

Eligible NRIs will be permitted to apply in the Offer 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 Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules.

- (a) 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.

(b) For details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 554.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/applications by HUFs will be considered at par with Bids/applications from individuals.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the applicable FEMA Rules the total holding by each FPI or an investor group cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis, as applicable and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24% of the total paid-up Equity Share capital on a fully diluted basis, as applicable.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions specified under the FEMA Rules and as specified by the GoI from time to time.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the total paid-up share capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different

beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; (vii) Entities registered as Collective Investment Scheme having multiple share classes; (viii) Multiple branches in different jurisdictions of foreign bank registered as FPIs; (ix) Government and Government related investors registered as Category 1 FPIs; and (x) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments.

To ensure compliance with the above requirement, SEBI, pursuant to SEBI ICDR Master Circular and RTA Master Circular, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (A) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (B) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (C) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
- (D) 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 Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); including the conditions to deal in overseas direct instruments 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 received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as “**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Updated Draft Red Herring Prospectus - I read with the General

Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form.

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI registered Alternative Investment Funds and Venture Capital Funds

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. A VCF can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

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.

Participation of AIFs and VCFs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs shall 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 BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “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, 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 may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that 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/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares 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 banking companies should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI ICDR Master Circular. 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 BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024 ("IRDAI AFIFI Regulations"), based on the 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 Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and such other approvals as may be required by the NBFC – SI, must be attached to the Bid-cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC – SI 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 ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, 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, in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, with minimum corpus of ₹250 million, subject to applicable laws, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason therefor.

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- (b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.5 million. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹0.2 million (which will be less Employee Discount). In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹0.2 million, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹0.5 million (which will be less Employee Discount).
- (c) Only Eligible Employees (as defined in this Updated Draft Red Herring Prospectus-I) would be eligible to apply in this Offer under the Employee Reservation Portion.
- (d) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (e) Only those Bids, which are received at or above the Offer Price net of Employee Discount, if any, would be considered for Allotment under this category.
- (f) Eligible Employees can apply at Cut-off Price.
- (g) Eligible Employees bidding in the Employee Reservation Portion may Bid either through the UPI mechanism or ASBA (including syndicate ASBA) as per the SEBI ICDR Master Circular.
- (h) In case of joint bids, the First Bidder shall be an Eligible Employee.
- (i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post-Offer share capital of our Company. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Offer Procedure*” on page 530.

Bids by Anchor Investors

In accordance with the SEBI Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.
- 5) Our Company, in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price and the difference amount shall not be refunded to the Anchor Investors.
- 9) Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: there shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment.
- 10) Neither (a) the Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) nor (b) the Promoter, Promoter Group or any person related to the Promoter or member of the Promoter Group shall apply under the Anchor Investors category.
- 11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus - I. 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 laws or regulation and as specified in this Updated Draft Red Herring Prospectus-I, the Red Herring Prospectus and the Prospectus when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

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 BRLMs 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 Updated Draft Red Herring Prospectus-I, 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.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) all editions of Financial Express, a widely circulated English national daily newspaper; (ii) all editions of Jansatta, a widely circulated Hindi national daily newspaper; and (iii) all editions of Navshakti a widely circulated Marathi daily newspaper (Marathi also being the regional language of Maharashtra, where our Registered Office is located).

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Underwriters, prior to the filing of the Red Herring Prospectus or the Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer.
- (b) After signing the Underwriting Agreement, a Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors 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. RIIs and Eligible Employees bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

- (A) 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;
- (B) Ensure that you have Bid within the Price Band;
- (C) Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders) in the Bid cum Application Form (with maximum length of 45 characters. Further, UPI Bidders must mention their UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
- (D) UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- (E) UPI Bidders Bidding using the UPI Mechanism in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
- (F) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- (G) Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
- (H) Ensure that your PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021;
- (I) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time; Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;
- (J) 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;
- (K) If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);
- (L) All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only (for online applications) and after 12:00 p.m. on the Bid/Offer Closing Date (for physical applications);
- (M) 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;
- (N) Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

- (O) 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;
- (P) Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- (Q) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) 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, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which 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;
- (R) Ensure that the Demographic Details are updated, true and correct in all respects;
- (S) 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;
- (T) 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;
- (U) 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;
- (V) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- (W) Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. UPI Bidders, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) prior to 5:00 pm of the Bid / Offer Closing Date;
- (X) 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;
- (Y) 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(s), 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;
- (Z) UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidders in the UPI Mandate

Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

- (AA) FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
- (BB) UPI Bidders 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;
- (CC) UPI Bidders, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner.
- (DD) Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs; and
- (EE) Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the website of the SEBI, is liable to be rejected.

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:

- (A) Do not Bid for lower than the minimum Bid size;
- (B) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- (C) Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
- (D) Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- (E) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- (F) Anchor Investors should not Bid through the ASBA process;
- (G) Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
- (H) Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- (I) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
- (J) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/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 this Updated Draft Red Herring Prospectus-I;

- (K) Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
- (L) If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);
- (M) Do not Bid for a Bid Amount exceeding ₹500,000 (for Bids by UPI Bidders);
- (N) Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
- (O) Do not submit the General Index Register (GIR) number instead of the PAN;
- (P) 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 Offer;
- (Q) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- (R) 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;
- (S) 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;
- (T) 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;
- (U) 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;
- (V) 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;
- (W) 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);
- (X) Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
- (Y) Do not submit more than one Bid cum Application Form per ASBA Account;
- (Z) Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
- (AA) 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);
- (BB) Do not Bid if you are an OCB; and
- (CC) Do not Bid for Equity Shares in excess of what is specified for each category.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

- (a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
- (b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
- (c) Bids submitted on a plain paper;
- (d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
- (e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));
- (f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;
- (g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
- (h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
- (i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- (j) Bids submitted without the signature of the First Bidder or Sole Bidder;
- (k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
- (l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
- (m) GIR number furnished instead of PAN;
- (n) Bids by RIBs with Bid Amount of a value of more than ₹200,000;
- (o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- (p) Bids accompanied by stock invest, money order, postal order, or cash; and Bids uploaded by QIBs and by Non-Institutional Investors after 4.00 pm on the Bid/Offer Closing Date and Bids by RIBs uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see “General Information” on page 95.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead

Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see “*General Information*” on page 95.

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors 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 Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Category, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors.

The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of non-resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collection of Bid Amounts from Anchor Investors.

Undertakings by our Company

Our Company undertakes the following:

- (A) The complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (B) if Allotment is not made, refunds are not made to the Bidders or listing and trading approvals are not obtained 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;
- (C) That all steps will be taken 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 within six Working Days of the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI;
- (D) That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;
- (E) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within four Working Days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where the refunds shall be credited along with the amount and the expected date of electronic credit of refund;
- (F) The decisions with respect to the Price Band and the Minimum Bid lot as applicable, revision of Price Band, Offer Price, will be taken by our Company, in consultation with the BRLMs.
- (G) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements would be published. The Stock Exchanges shall be informed promptly;
- (H) that if our Company, in consultation with the BRLMs withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh DRHP with SEBI, in the event our Company subsequently decides to proceed with the Offer;
- (I) Except for Equity Shares that may be allotted pursuant to the Pre – IPO Placement and Fresh Issue, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.; and
- (J) That adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investor

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see “*Terms of the Offer*” on page 517.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes the following severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares:

- (A) the Equity Shares offered for sale by it in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- (B) it is the legal and beneficial owner of its respective portion of the Offered Shares; and
- (C) it shall not have access or have recourse to its respective portion of proceeds of the Offer until receipt of final listing and trading approvals from the Stock Exchanges.

Only the statements and undertakings in relation to each of the Selling Shareholders and their portion of the Equity Shares offered in the Offer for Sale which are confirmed or undertaken, severally and not jointly, by each of the Selling Shareholders in this Updated Draft Red Herring Prospectus-I, shall be deemed to be “statements and undertakings made or confirmed” by such Selling Shareholder. No other statement in this Updated Draft Red Herring Prospectus-I will be deemed to be “made or confirmed” by a Selling Shareholder, even if such statement relates to such Selling Shareholder.

Utilisation of Offer Proceeds

Our Board certifies that:

- (a) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- (b) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested

The Company confirms and declares that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than

₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

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 Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly the Department of Industrial Policy and Promotion), Government of India (“DPIIT”), issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars on FDI issued by the DPIIT, which were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

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.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules and the FDI Policy issued and amended by way of press notes. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares 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, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

As per the FEMA Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment is permitted under the automatic route in entities undertaking financial services activities regulated by financial sector regulators including the RBI, however, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 537 and 538, respectively.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus-I as “U.S. QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions”, as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of

institutional investors defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus-I as “QIBs”.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The information does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus-I. 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. Bidders are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus-I.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

*Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below. The Articles of Association of our two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of the listing of the equity shares of the Company (“**Equity Shares**”) in connection with the initial public offering (the “**IPO**”) on the Stock Exchanges (such date being the “**Event**”).*

In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail and be applicable until the Event. All articles of Part B shall automatically terminate and cease to have any force and effect from the Event and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

PART A

PRELIMINARY

1. The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013, as amended from time to time, shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
2. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, as amended from time to time, be such as are contained in these Articles.

DEFINITIONS AND INTERPRETATION

3. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

“**Act**” means the Companies Act, 2013 and the rules enacted or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980;

“**Annual General Meeting**” means the annual general meeting of the Company convened and held in accordance with the Act.

“**Applicable Laws**” means the Act, and as appropriate, includes any rule, statute, law, listing agreement (to the extent applicable), regulation, circular, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.

“**Articles of Association**” or “**Articles**” mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.

“**Beneficial Owner**” mean a beneficial owner as defined in clause (a) of sub-section (i) of section 2 of the Depositories Act, 1996.

“Board” or “Board of Directors” means the board of directors of the Company in office at applicable times, in accordance with law and the provisions of these Articles.

“Company” means Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited), a company incorporated under the laws of India.

“Committee” means a committee of Board constituted in accordance with the Act.

“Depository” means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended from time to time and a company formed and registered under the Act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

“Director” means any director of the Company, including but not limited to executive directors, alternate directors, additional directors, Independent Directors and nominee directors appointed in accordance with Applicable Laws and the provisions of these Articles.

“Equity Shares or Shares” means the issued, subscribed and fully paid-up equity shares of the Company for face value of ₹10 each;

“Exchange” means BSE Limited and the National Stock Exchange of India Limited.

“Extraordinary General Meeting” means an extraordinary general meeting of the Company convened and held in accordance with the Act;

“General Meeting” means any duly convened meeting of the shareholders of the Company in accordance with the Act and any adjournments thereof;

“Independent Director” shall mean an independent director as defined under the Act and under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable;

“IPO” means the initial public offering of the Equity Shares of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Act and other Applicable Laws;

"Key Managerial Personnel", in relation to the Company, means: (i) the Chief Executive Officer or the managing director or the manager; (ii) the Company Secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Applicable Laws.

“MDI Entities” collectively means Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.

“Member” or “Shareholder” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

“Memorandum” or “Memorandum of Association” means the memorandum of association of the Company, as may be altered from time to time;

“Office” means the registered office, for the time being, of the Company;

“Officer” shall have the meaning assigned thereto by the Act;

“Ordinary Resolution” shall have the meaning assigned thereto by the Act;

“Register of Members” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

“**Rules**” means the applicable rules for the time being in force as prescribed under relevant sections of the Act;

“**Securities**” shall mean securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956;

“**SHA**” shall mean the shareholders agreement dated June 19, 2023 read with the letter agreement dated March 18, 2024, first deed of adherence dated April 3, 2024, second deed of adherence dated October 14, 2024 and the waiver cum amendment agreement dated December 26, 2024; and

“**Special Resolution**” shall have the meaning assigned thereto by the Act.

4. Except where the context requires otherwise, these Articles will be interpreted as follows:

- (a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.
- (b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;
- (c) words importing the singular shall include the plural and vice versa;
- (d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;
- (e) the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;
- (f) the ejusdem generis (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, **include** and **including** will be read without limitation;
- (g) any reference to a **person** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;
- (h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;
- (i) references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
- (j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:
 - (i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and
 - (ii) any subordinate legislation or regulation made under the relevant statute or statutory provision.
- (k) references to writing include any mode of reproducing words in a legible and non-transitory form;

- (l) references to **Rupees, Re., Rs., INR, ₹** are references to the lawful currency of India;
- (m) save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. AUTHORISED SHARE CAPITAL

The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce or modify such capital and/or the nominal value of the shares forming part thereof from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to Applicable Laws for the time being in force.

6. NEW CAPITAL PART OF THE EXISTING CAPITAL

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

7. KINDS OF SHARE CAPITAL

The Company may issue the following kinds of shares in accordance with these Articles, and Applicable Laws:

- (a) Equity share capital:
 - (i) with voting rights; and/or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and
- (b) Preference share capital.

All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

8. SHARES AT THE DISPOSAL OF THE DIRECTORS

Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to the compliance with the provision of section 53 and 54 of the Act) and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person or persons the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

9. CONSIDERATION FOR ALLOTMENT

The Board of Directors may issue and allot shares of the Company as payment in full or in part, for any property or assets of any kind purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

10. SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CAPITAL

Subject to the provisions of the Act and the Rules, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;
- (c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- (d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and
- (e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

11. FURTHER ISSUE OF SHARES

- (1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(A)

- (i) To the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;
- (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under the Applicable Laws and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

- (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other

person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

- (iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;
 - (B) to employees under any scheme of employees' stock option subject to approval of shareholders of the Company by way of Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under Applicable Laws; or
 - (C) to any person(s), if it is authorised by approval of the shareholders of the Company by way of Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the rules made thereunder;
- (2) 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.
 - (3) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:
 - (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.
 - (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.

- (5) Notwithstanding anything contained in Article 11(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

Where the Government has, by an order made under Article 11 (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under Article 11 (4) or where such appeal has been dismissed,

the memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, stand altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

- (6) In determining the terms and conditions of conversion under Article 11 (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (7) Where the Government has, by an order made under Article 11 (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under Article 11 (4) or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, stand altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

12. ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

13. RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT

The Board shall observe the restrictions as regards allotment of shares to the public contained in the Act, and as regards return on allotments, the Directors shall comply with applicable provisions of the Act.

14. MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

15. INSTALLMENTS ON SHARES

If, by the conditions of allotment of any shares, whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

16. MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Articles require or fix for the payment thereof.

17. VARIATION OF SHAREHOLDERS' RIGHTS

- (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act.
- (b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

18. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such securities on such terms as they may deem fit.

19. PAYMENTS OF INTEREST OUT OF CAPITAL

The Company shall have the power to pay interest out of its capital on so much of the shares which have been issued for the purpose of raising money to defray the expenses of the construction of any work or building for the Company in accordance with the Act.

20. AMALGAMATION / DEMERGER

Subject to provisions of these Articles, the Company may amalgamate or cause itself to be amalgamated or demerged with any other person, firm or body corporate subject to Applicable Laws.

21. BUYBACK

Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other specified Securities subject to the provisions of Section 68 of the Act and provisions of other applicable laws.

22. CHANGE OF NAME

No Member who shall change his name or address or who being a Female, shall marry, respectively; shall be entitled to recover any dividend, until notice of the change of name or address or of marriage be given to the Company in order that the same be registered.

23. TRUST NOT RECOGNISED

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by Applicable Law) be bound to recognise any benami

trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not the Company shall have express or implied notice thereof.

24. FUNDS, ETC. OF THE COMPANY NOT TO BE APPLIED FOR PURCHASE OF SHARES OF THE COMPANY

The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any Person of or for any shares in the Company as per the provisions of Section 67 of the Act.

25. DIVIDEND PAYMENTS TO JOINT-HOLDERS

Where two or more persons are registered as the holders of any share, the person first named in the Register shall as regards receipt of Dividends, interest or other monies payable in cash in respect of shares, be deemed to be the sole holder and such amounts may be paid by cheque or warrant sent through the post directed to the registered address of that holder, or to such person and to such address as the joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of the joint holders of a share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such share.

26. SHARES TO BE NUMBERS PROGRESSIVELY AND NO SHARE TO BE SUBDIVIDED

The shares in the capital of the Company shall be numbered progressively according to their several denominations, and except in the manner herein- mentioned, no share shall be subdivided provided however that the provision of this Article 15 relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised.

SHARE CERTIFICATES

27. ISSUE OF CERTIFICATE

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve on payment of fee for each certificate as may be fixed by the Board and subject to the limits prescribed under the Act and rules made thereunder for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture or within such other period as any other legislation for time being in force may provide. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

Subject to any statutory or requirement of applicable laws governing the issue and signatures to and sealing of certificate to shares, every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two (2) directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal shall be affixed in the presence of the persons required to sign the certificate.

The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

28. RULES TO ISSUE SHARE CERTIFICATES

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the Act.

Every member shall be entitled, free of charge, to one certificate for all the shares registered in his name. Every certificate of shares shall specify the number and the denoting number / numbers of the shares in respect of which it was issued and the amount paid up thereon. For each further certificate the Board shall be entitled, but shall not be bound, to prescribe a fee shall not exceed maximum amount permitted under Applicable Laws.

29. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board which fees shall not exceed the maximum amount permitted under the Applicable Laws. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

30. DEMATERIALISATION OF SHARES

Notwithstanding anything contained in these Articles, the Company shall, in accordance with the provisions of the Depositories Act, 1996, the Act and Applicable Law, as applicable, be entitled to dematerialise or rematerialize its Securities and offer its Securities in dematerialised form.

31. RIGHTS OF DEPOSITORY

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
- (b) Save as otherwise provided in (a) above, the Depository, as the registered owner of the Securities, shall not have any voting rights or any other rights in respect of the Securities held by it.
- (c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a Member of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

32. REGISTER OF MEMBERS

The Company shall be required to maintain a Register and Index of Members in accordance with Section 88 of the Act and Section 11 of the Depositories Act, 1996 with details of shares held in physical and dematerialised forms, in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Members holding shares in a dematerialised form for the purposes of the Act. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture-holders, other Security holders or Beneficial Owners residing outside India; and the Board may make

and vary such regulations as it may think fit with respect to any such register. The foreign register shall be open for inspection and extracts may be taken therefrom and copies may be obtained thereof in the same manner, mutatis mutandis as is applicable to the Register of Members.

UNDERWRITING & BROKERAGE

33. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.

- (a) Subject to Applicable Laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any shares or debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares or debentures of the Company and provisions of the Act shall apply.
- (b) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Section 40 of the Act and rules applicable in this behalf and rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
- (c) The Company may also, in any issue, pay such brokerage as may be lawful.
- (d) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

LIEN

34. COMPANY'S LIEN ON SHARES / DEBENTURES

The Company shall subject to Applicable Laws have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share/debenture to be wholly or in part exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien on any account whatsoever and in the case of partly paid up shares, if any, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debenture.

35. LIEN TO EXTEND TO DIVIDENDS, ETC.

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

36. ENFORCING LIEN BY SALE

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable,

has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

37. VALIDITY OF SALE

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

38. VALIDITY OF COMPANY'S RECEIPT

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

39. APPLICATION OF SALE PROCEEDS

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

40. OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

41. PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

CALLS ON SHARES

42. BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES

The Board may subject to Applicable Laws, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one (1) month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting and as maybe permitted by law.

43. NOTICE FOR CALL

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances. A call may be revoked or postponed at the discretion of the Board.

44. CALL WHEN MADE

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

45. LIABILITY OF JOINT HOLDERS FOR A CALL

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and for all incidents thereof in accordance with the provisions of the Act.

46. CALLS TO CARRY INTEREST

If a Member fails to pay any call due from them on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of twelve percent or such other lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

47. AMOUNT PAYABLE AT FIXED TIMES OR BY INSTALLMENTS PAYABLE AS CALLS

If by the terms of issue of any share or otherwise any amount is or becomes payable on allotment or at any fixed date or by instalments at fixed times whether on account of the nominal amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and payable on the date on which, by the terms of issue or otherwise, such sum becomes payable and of which due notice has been given. In case of non-payment of such sum, all the relevant provisions herein contained 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.

48. DUES DEEMED TO BE CALLS

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

49. EFFECT OF NON-PAYMENT OF SUMS

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

50. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Board –

- (a) may, subject to provisions of the Act, if it thinks fit, agree to and 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
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board

and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him. The Directors may at any times repay the amount so advanced.

51. CALLS ON SHARES OF SAME CLASS TO BE ON UNIFORM BASIS

All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

52. EVIDENCE IN ACTION FOR CALL

At the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the Member sued, in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever.

53. PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

54. MEMBERS NOT ENTITLED TO PRIVILEGES OF MEMBERSHIP UNTIL ALL CALLS PAID

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 or in regard to which the Company has exercised any right of lien.

55. PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

FORFEITURE OF SHARES

56. BOARD TO HAVE A RIGHT TO FORFEIT SHARES

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

57. NOTICE FOR FORFEITURE OF SHARES

The notice aforesaid shall:

- (a) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

58. RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by Applicable Laws.

59. FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

60. ENTRY OF FORFEITURE IN REGISTER OF MEMBERS

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

61. MEMBER TO BE LIABLE EVEN AFTER FORFEITURE

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

62. EFFECT OF FORFEITURE

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved and as determined by the Board.

63. CERTIFICATE OF FORFEITURE

A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

64. TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold

or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

65. VALIDITY OF SALES

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

66. CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

67. BOARD ENTITLED TO CANCEL FORFEITURE

The Board may at any time before any share so forfeited shall have them sold, reallocated or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

68. SURRENDER OF SHARE CERTIFICATES

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

69. SUMS DEEMED TO BE CALLS

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

70. PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

TRANSFER AND TRANSMISSION OF SHARES

71. REGISTER OF TRANSFERS

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

72. ENDORSEMENT OF TRANSFER

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

73. INSTRUMENT OF TRANSFER

- (a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
- (b) The Board may decline to recognize any instrument of transfer unless-
 - (i) the instrument of transfer is in the form prescribed under the Act;
 - (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (iii) the instrument of transfer is in respect of only one class of shares.
- (c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

74. EXECUTION OF TRANSFER INSTRUMENT

Every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

75. CLOSING REGISTER OF TRANSFERS AND OF MEMBERS

Subject to compliance with Applicable Laws, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

76. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the provisions of these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

77. TRANSFER OF PARTLY PAID SHARES

Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

78. TITLE TO SHARES OF DECEASED MEMBERS

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

79. TRANSFERS NOT PERMITTED

No share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

80. TRANSMISSION OF SHARES

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

81. RIGHTS ON TRANSMISSION

A person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

82. SHARE CERTIFICATES TO BE SURRENDERED

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

83. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights,

title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

84. TRANSFER AND TRANSMISSION OF DEBENTURES

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

ALTERATION OF CAPITAL

85. RIGHTS TO ISSUE SHARE WARRANTS

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

86. BOARD TO MAKE RULES

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

87. SHARES MAY BE CONVERTED INTO STOCK

Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, however, such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/”Member” shall include “stock” and “stock-holder” respectively.

88. REDUCTION OF CAPITAL

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or

- (c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, (a) cancel paid up share capital which is lost or is unrepresented by available assets; or (b) pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

89. DEMATERIALISATION OF SECURITIES

- (a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable laws.

- (b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

- (c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

- (d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

- (e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction and subject to Applicable Laws, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

- (f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

- (g) The provisions relating to distinctive numbering shall not apply to the shares of the Company which have been dematerialized.

90. BUY BACK OF SHARES

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

91. ANNUAL GENERAL MEETINGS

- (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. Provided the time gap between two Annual General Meetings shall not exceed the prescribed time period under the Act and rules made thereunder.
- (b) An Annual General Meeting of the Company shall be held in accordance with Applicable Laws.

92. EXTRAORDINARY GENERAL MEETINGS

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

93. EXTRAORDINARY MEETINGS ON REQUISITION

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

94. NOTICE FOR GENERAL MEETINGS

All General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by Applicable Laws.

95. SHORTER NOTICE ADMISSIBLE

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty one (21) days if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the shareholders entitled to vote at that meeting. Any other General Meeting may be convened by giving a notice shorter than twenty one (21) days if consent is given in writing or by electronic mode by not less (i) the majority in number of Shareholders entitled to vote at that meeting and (ii) who represent not less than 95 (ninety five) percent of such part of the paid-up Share Capital of the Company as gives a right to vote at such meeting.

96. CIRCULATION OF MEMBERS' RESOLUTION

The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

97. SPECIAL AND ORDINARY BUSINESS

- (a) Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Directors and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.
- (b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

98. QUORUM FOR GENERAL MEETING

The quorum for the Shareholders' Meeting shall be in accordance with section 103 of the Act and other applicable laws for the time being in force prescribes, and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

99. TIME FOR QUORUM AND ADJOURNMENT

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

100. CHAIRMAN OF GENERAL MEETING

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

101. ELECTION OF CHAIRMAN

Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

102. ADJOURNMENT OF MEETING

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting, as may be possible. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

Any member who has not appointed a proxy to attend and vote on their behalf at a general meeting may appoint a proxy for any adjourned general meeting, not later than forty-eight hours before the time of such adjourned Meeting.

103. VOTING AT MEETING

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the General Meeting, whose decision shall be final and conclusive.

104. DECISION BY POLL

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

105. CASTING VOTE OF CHAIRMAN

The Chairman will not be entitled to a casting or second vote.

106. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.
- (c) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

VOTE OF MEMBERS

107. VOTING RIGHTS OF MEMBERS

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

- (a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.
- (b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital.
- (c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

A Member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in these Articles.

108. VOTING BY JOINT-HOLDERS

In case of joint holders the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

109. VOTING BY MEMBER DECEASED OR OF UNSOUND MIND / MINOR

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under Article 80 to any shares may vote at any general meeting in respect thereof as if he/she was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he/she proposes to vote, he/she shall duly satisfy the Board of his/her right to such shares unless the Board shall have previously admitted his/her right to vote at such meeting in respect thereof.

110. NO RIGHT TO VOTE UNLESS CALLS ARE PAID

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

111. PROXY

Subject to the provisions of the Act and these Articles, any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

112. INSTRUMENT OF PROXY

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

113. VALIDITY OF PROXY

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

114. CORPORATE MEMBERS

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

DIRECTOR

115. NUMBER OF DIRECTORS

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

116. SHARE QUALIFICATION NOT NECESSARY

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

117. ADDITIONAL DIRECTORS

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

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 annual general meeting, subject to the provisions of the Act.

118. ALTERNATE DIRECTORS

- (a) The Board may, subject to provisions of the Act, appoint a person, not being a person holding any alternate directorship for any other director in the Company or holding directorship in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the “**Original Director**”). No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.
- (b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

119. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting. The director so appointed shall hold office only up to the date which the director in whose place he is appointed would have held office if it had not been vacated.

120. REMUNERATION OF DIRECTORS

- (a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.
- (b) The Board of Directors may allow and pay or reimburse any Director:
 - (i) for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses; and
 - (ii) other expenses incurred in connection with the business of the Company.

121. REMUNERATION FOR EXTRA SERVICES

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

122. CONTINUING DIRECTOR MAY ACT

The continuing Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company, but for no other purpose.

123. VACATION OF OFFICE OF DIRECTOR

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Act.

124. RIGHT TO NOMINATE DIRECTORS

Notwithstanding anything contained herein, after the consummation of the IPO, the Company undertakes to take all necessary steps under Applicable Law to convene an Annual General Meeting, or an Extraordinary General Meeting, as applicable, and include in the agenda of such first Annual General Meeting, or first Extraordinary General Meeting, as applicable, the proposal (i) to include the right to nominate Directors on the Board in favour of Kopvoorn B.V., MDI Entities, Shinhan and HDFC, as provided under Clause 3.3 of the SHA and as specifically provided under Clause 3.3.1(a), Clause 3.3.1(b), Clause 3.3.1(c) and Clause 3.3.1(d) of the SHA, respectively, and (ii) subject to Applicable Laws including the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, (A) to nominate Directors in the Board committees as set forth in Clause 3.3.12 of the SHA, and (B) to appoint an Independent Director as the chairman of the Company as set forth in Clause 3.3.11 of the SHA. Additionally, the aforementioned rights shall accrue upon receipt of approval by way of a special resolution of the Shareholders.

ROTATION AND RETIREMENT OF DIRECTOR

125. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

126. RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

127. WHICH DIRECTOR TO RETIRE

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

128. POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in General Meeting, remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead.

Provided that an independent director re-appointed for second term under the provisions of the Act shall be removed by the company only by passing a Special Resolution and after giving him a reasonable opportunity of being heard.

129. DIRECTORS NOT LIABLE FOR RETIREMENT

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

130. DIRECTOR FOR COMPANIES PROMOTED BY THE COMPANY

Directors of the Company may be or become a director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company subject to compliance with applicable provisions of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS

131. MEETINGS OF THE BOARD

- (a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of 120 (one hundred and twenty days) between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.
- (b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business. Additionally, a meeting may be convened by a shorter notice subsequent to listing of Equity Shares on any stock exchange, subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.
- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.
- (d) To the extent permissible by Applicable Laws, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

132. QUESTIONS AT BOARD MEETING HOW DECIDED

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, or the Director presiding the Meeting shall not have a second or casting vote.

133. QUORUM

Subject to Applicable Laws, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

134. ADJOURNED MEETING

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

135. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

136. POWERS OF DIRECTORS

- (a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by Applicable Laws, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, Applicable Laws and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- (b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

137. DELEGATION OF POWERS

- (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

138. ELECTION OF CHAIRMAN OF COMMITTEE

- (a) A Committee may elect a chairman of its meeting, unless the Board, while constituting a Committee, has appointed a chairman of such Committee. If no such chairman is elected or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.
- (b) The quorum of a committee may be fixed by the Board of Directors.

139. QUESTIONS HOW DETERMINED

- (a) A Committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present as the case may be.

140. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE

All acts done by any meeting of the Board, of a Committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

141. RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft form, 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 by hand delivery or by post or by courier or through electronic means and as has been approved by the majority of Directors or Members who are entitled to vote on the resolution. Provided that, where not less than 1/3rd (one third) of the total number of Directors require that any resolution under circulation must be decided at a meeting, the Chairman shall put such resolution, to be decided at a meeting of the Board or Committee, as the case may be.

142. MAINTENANCE OF STATUTORY REGISTERS AND FOREIGN REGISTER

The Company shall keep and maintain at its Office Memorandum of Association, Articles of Association, all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The Memorandum of Association, Articles of Association, registers and copies of annual return shall be open for inspection by Members, beneficial owners, debenture holders or other security holder or any other person entitled to inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the Office of the Company and shall such persons shall be entitled to a copy upon payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules and the requested copies shall be made available by the Company within the prescribed time limits under the Act and rules made thereunder.

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.

The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

143. BORROWING POWERS

- (a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.
- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by Applicable Laws, if any, within the limits prescribed.
- (c) To the extent permitted under the Applicable laws and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
- (d) Any bonds, debentures, debenture-stock or other securities may if permissible under Applicable Laws be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution as per applicable provisions/laws.

144. NOMINEE DIRECTORS

- (a) Subject to the provisions of the Act, so long as any moneys remain owing by the Company to Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company regulated by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "**Corporation**") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as "**Nominee Directors/s**") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

- (b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (c) The Company may pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.
- (d) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

145. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

146. MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS

- (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.
- (b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.
- (c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.
- (d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.
- (e) The managing director and/or whole time director shall not be liable to retirement by rotation as long as he holds office as managing director or whole time director.

147. REIMBURSEMENT OF EXPENSES

The managing Directors/whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

148. POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR

The managing director/whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Director(s)/ whole time Director(s) may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

149. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Subject to the provisions of the Act —

- (a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairman of the Company as well as the managing Director or chief executive officer of the Company at the same time.
- (c) A provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

DIVIDEND

150. COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

151. INTERIM DIVIDENDS

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

152. RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND

- (a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.
- (b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account". Any amounts lying in the "Unpaid Dividend Account" pursuant to this clause shall be dealt with in the manner, including manner of payment of unpaid dividend and any interest accrued thereon, as provided under the Applicable Laws.
- (c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (e) No unpaid dividend shall bear interest as against the Company.

- (f) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.
- (g) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

153. DIVISION OF PROFITS

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

154. DIVIDENDS TO BE APPORTIONED

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

155. RESERVE FUNDS

- (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.
- (b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

156. DEDUCTION OF ARREARS

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

157. RETENTION OF DIVIDENDS

The Board may retain dividends payable upon shares in respect of which any person is, under Articles 56 to 70 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

158. RECEIPT OF JOINT HOLDER

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

Any notice (which term shall be deemed to include all relevant documents) received and any notice served on or sent to such person shall be deemed service on all the joint-holders.

159. DIVIDEND HOW REMITTED

- (a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (b) Payment of dividends in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to have made a payment and discharged its obligation if dividend is paid in accordance with sub-clause (a) above.

160. DIVIDENDS NOT TO BEAR INTEREST

No dividends shall bear interest against the Company.

161. TRANSFER OF SHARES AND DIVIDENDS

Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

162. CAPITALISATION OF PROFITS

- (a) The Company in General Meeting, may, on recommendation of the Board resolve:
 - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or securities premium account or to the credit of the profit and loss account or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
 - (i) paying up any amounts for the time being unpaid on shares held by such Members respectively;
 - (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii).
 - (iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
 - (v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

163. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
 - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and
 - (ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.
- (c) Any agreement made under such authority shall be effective and binding on such Members.

ACCOUNTS

164. WHERE BOOKS OF ACCOUNTS TO BE KEPT

The Books of Account shall be kept at the Office or at such other place in India as the Directors think fit in accordance with the applicable provisions of the Act.

165. INSPECTION BY DIRECTORS

Subject to Applicable Laws, each Director shall be entitled to examine the books of accounts, books and records of the Company, or any of its subsidiaries that may be incorporated, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.

166. INSPECTION BY MEMBERS

No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

SERVICE OF DOCUMENTS AND NOTICE

167. MEMBERS TO NOTIFY ADDRESS IN INDIA

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

168. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

169. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

170. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

- (a) To the Members of the Company as provided by these Articles.
- (b) To the persons entitled to a share in consequence of the death or insolvency of a Member.
- (c) To the Directors of the Company.
- (d) To the auditors for the time being of the Company; in the manner authorized by as in the case of any Member or Members of the Company.

171. NOTICE BY ADVERTISEMENT

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

172. MINUTES OF GENERAL MEETINGS

- (a) The Company shall cause minutes of the proceedings of every General Meeting of any class of Members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act and rules made thereunder within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) There shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting:
 - (i) is, or could reasonably be regarded, as defamatory of any person; or
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (c) The Chairman shall exercise absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (d) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
- (e) The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall:
 - (i) be kept at the registered office of the Company; and
 - (ii) be open to inspection of any Member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

- (f) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in sub-clause (e) above:

Provided that a Member who has made a request for provision of a soft copy of the minutes of any previous General Meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

173. POWERS TO ARRANGE SECURITY AT MEETINGS

The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

174. MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

175. NOTICE BY COMPANY AND SIGNATURE THERETO

Any notice to be given by the Company shall be signed by the managing Director or by such Director or Secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

WINDING UP

176. Subject to the applicable provisions of the Act—

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- (d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

177. APPLICATION OF ASSETS

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

178. DIRECTOR NOMINATED BY THE DEBENTURE TRUSTEE(S)

The debenture trustee(s) of the holder(s) of the debentures issued by the Company in terms of the clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and/or the lender(s) of the Company shall have the right to appoint a non-executive director on the Board of the Company to the extent such right is provided in the relevant agreements executed by the Company with the debenture trustee(s) and/or the lender(s) and such director shall not be liable to retire by rotation. Provided further that if the Company is in default of payment of interest or repayment of principal amount in respect of listed debt securities, it shall appoint the person nominated by the debenture trustee(s) as a director on its Board of Directors, within one month from date of receipt of nomination from the debenture trustee.

INDEMNITY

179. DIRECTOR'S AND OTHERS' RIGHT TO INDEMNITY

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by them in their capacity as Director and Officer of the Company including in relation to in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in which relief is granted to them by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director or Officer of the Company.

180. INSURANCE

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

SECRECY CLAUSE

181. SECRECY

No Member or other person (not being a Director) shall be entitled to inspect the Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process, or of any matter whatsoever, which may be related to the conduct of the business of the Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

GENERAL POWER

182. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

183. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), the provisions of the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, from time to time.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights and obligations of certain Shareholders pursuant to the SHA read with the SHA Amendment Agreement. For more details on the SHA and the SHA Amendment Agreement, see “*History and Certain Corporate Matters – Shareholders’ agreements*” on page 277.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been executed, entered into 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 Red Herring Prospectus to be filed with the Registrar of Companies. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office, between 10.00 am and 5.00 pm on all Working Days and will also be available at the website of our Company at <https://credila.com/about/investor-relation.html>, from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Updated Draft Red Herring Prospectus-I 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, 2013 and other applicable law.

Material Contracts to the Offer

1. Offer Agreement dated December 26, 2024 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated December 26, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Bank(s), the Refund Bank(s) and Sponsor Bank(s).
4. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among our Company, Syndicate Members, our Company, the Selling Shareholders, Registrar to the Offer.
6. Monitoring Agency Agreement dated [●] entered into among our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents in relation to the Offer

- (1) Certified copies of updated Memorandum of Association and Articles of Association of our Company as amended until date.
- (2) Certificate of incorporation dated February 1, 2006.
- (3) Certificate of incorporation dated February 19, 2017, consequent upon change in the name of our Company from Credila Financial Services Private Limited to HDFC Credila Financial Services Private Limited.
- (4) Fresh certificate of incorporation dated October 8, 2020 consequent upon change of name of our Company pursuant to its conversion to a public company.

- (5) Certificate of incorporation dated October 21, 2024, consequent upon change in the name of our Company from HDFC Credila Financial Services Limited to Credila Financial Services Limited.
- (6) Resolution passed by our Board in relation to the Offer and other related matters dated December 24, 2024.
- (7) Resolution passed by our Shareholders in relation to the Fresh Issue and other related matters dated December 26, 2024.
- (8) Resolutions of the Board of Directors dated December 24, 2024 and Fund Raising Committee dated December 26, 2024, approving the Pre-filed Draft Red Herring Prospectus for filing with the SEBI and the Stock Exchanges.
- (9) Consent letters from the Selling Shareholders in relation to the Offer for Sale of its Offered Shares authorizing the Offer for Sale.
- (10) Resolution of the Audit Committee dated June 9, 2025, approving the KPIs for inclusion in this Updated Draft Red Herring Prospectus - I.
- (11) Resolution of the Fund Raising Committee dated June 26, 2025, approving this Updated Draft Red Herring Prospectus - I for filing with the SEBI and the Stock Exchanges.
- (12) Certificate dated June 26, 2025 from Mukund M Chitale & Co, independent chartered accountants, certifying the KPIs of our Company.
- (13) Certificate dated June 26, 2025 from Mukund M Chitale & Co, independent chartered accountants, certifying the weighted average cost of acquisition per Equity Share of our Company.
- (14) Certificate dated June 26, 2025 from Mukund M Chitale & Co, independent chartered accountants, certifying the details of financial indebtedness of our Company.
- (15) Certificate dated June 26, 2025 from Mukund M Chitale & Co, independent chartered accountants, certifying the total outstanding dues (trade payables) owed to MSME, Material Creditors and other creditors of our Company.
- (16) Copies of annual reports of our Company for the Fiscals, i.e., Fiscals 2024, 2022 and 2022.
- (17) Our Company has received the written consent dated June 26, 2025 from our Joint Statutory Auditors, namely, Price Waterhouse LLP, Chartered Accountants and Gokhale & Sathe, Chartered Accountants, respectively, to include their names as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their examination report dated June 9, 2025 on the Restated Financial Information, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.
- (18) Written consent dated June 26, 2025 from one of our Joint Statutory Auditors, M/s. Gokhale & Sathe, Chartered Accountants, to include its name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as our Joint Statutory Auditor, and in respect of report dated June 9, 2025 on the statement of possible special tax benefits available to the Company and its Shareholders, in this Updated Draft Red Herring Prospectus-I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.

- (19) Written consent dated June 26, 2025 from our Previous Statutory Auditor, Shah Gupta & Co, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Previous Statutory Auditor, and in respect of their (i) examination report dated June 9, 2025 on our Restated Financial Information, in this Updated Draft Red Herring Prospectus-I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus-I.
- (20) Written consent dated June 26, 2025 from Mukund M Chitale & Co, independent chartered accountants holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus-I and as an “Expert” as defined under Section 2(38) of Companies Act 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.
- (21) Shareholders’ agreement dated June 19, 2023, as amended and modified pursuant to the first deed of adherence dated April 3, 2024 and second deed of adherence dated October 14, 2024 entered into by and amongst our Company, HDFC Bank Limited, Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners, Shinhan Bank and HDFC Life Insurance Company Limited.
- (22) Waiver cum amendment agreement dated December 26, 2024 entered into between our Company, HDFC Bank Limited, Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V., Infinity Partners, Shinhan Bank and HDFC Life Insurance Company Limited.
- (23) Investment agreement dated June 19, 2023 entered into by and amongst the Company, HDFC Limited, HDFC Bank Limited, Kopvoorn B.V. and Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.
- (24) First letter agreement dated July 5, 2023 entered into by and amongst the Company, HDFC Bank Limited, Kopvoorn B.V. and Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.
- (25) Second letter agreement dated August 22, 2023 entered into by and amongst the Company, HDFC Bank Limited, Kopvoorn B.V. and Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.
- (26) Third letter agreement dated March 17, 2024 entered into by and amongst the Company, HDFC Bank Limited, Kopvoorn B.V. and Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners.
- (27) Share subscription agreement dated 3 April 2024 entered into by and amongst the Company and Shinhan Bank.
- (28) Deed of adherence dated 3 April 2024 entered into by and amongst the Company, HDFC Bank Limited, Kopvoorn B.V. and Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners and Shinhan Bank.
- (29) Second deed of adherence dated 14 October 2024 entered into by and amongst the Company, HDFC Bank Limited, Kopvoorn B.V. and Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners and Shinhan Bank and HDFC Life Insurance Company Limited.
- (30) Memorandum of understanding dated July 29, 2024, entered into between our Company and Shinhan Bank.

- (31) Industry report titled “Report on Education Financing Industry in India” dated June 26, 2025, prepared by Redseer Strategy Consultants Private Limited.
- (32) Consent letter dated June 26, 2025 from Redseer Strategy Consultants Private Limited with respect to the Industry report titled “Report on Education Financing Industry in India” dated June 26, 2025.
- (33) Statement of Possible Special Tax Benefits dated June 9, 2025.
- (34) Examination Report dated June 9, 2025 on our Restated Financial Information issued by our Joint Statutory Auditors, namely, Price Waterhouse LLP, Chartered Accountants and Gokhale & Sathe, Chartered Accountants.
- (35) Consents of the BRLMs, the Syndicate Members, Registrar to the Offer, Bankers to the Offer, Banker to our Company, Monitoring Agency, legal advisors, our Directors, Chief Financial Officer, Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
- (36) In-principle listing approvals each dated March 4, 2025 from BSE and NSE.
- (37) Tripartite Agreement dated December 19, 2024 among our Company, NSDL and the Registrar to the Offer.
- (38) Tripartite Agreement dated December 19, 2024 among our Company, CDSL and the Registrar to the Offer.
- (39) Due diligence certificate dated December 26, 2024 to SEBI from the BRLMs.
- (40) SEBI observation letter dated May 15, 2025 bearing reference SEBI/CFD/RAC-DIL1/2025/13270.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement, disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Damodarannair Sundaram
(Chairman and Independent Director)

Date: June 26, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Arijit Sanyal
(Managing Director and Chief Executive Officer)

Date: June 26, 2025

Place: London

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Seung Hyo Han
(Non-executive Director)

Date: June 26, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajnish Kumar
(Non-executive Director)

Date: June 26, 2025

Place: Gurgaon

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ankit Singhal
(Non-executive Director)

Date: June 26, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Satish Kumar Pillai
(Non-executive Director)

Date: June 26, 2025

Place: Kerala

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Jimmy Mahtani
(Non-executive Director)

Date: June 26, 2025

Place: Boston

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

V S Rangan
(Non-executive Director)

Date: June 26, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashish Agrawal
(Non-executive Director)

Date: June 26, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anuranjita Kumar
(Non-executive Independent Director)

Date: June 26, 2025

Place: Lausanne, Switzerland

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Bharat Dhirajlal Shah
(Non-executive Independent Director)

Date: June 26, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and/ regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement , disclosures and undertakings made in this Updated Draft Red Herring Prospectus-I are contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Abhijit Sen
(Non-executive Independent Director)

Date: June 26, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus-I is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Updated Draft Red Herring Prospectus-I are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Manjeet P Bijlani

Date: June 26, 2025

Place: Mumbai

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

The undersigned Promoter Selling Shareholder, hereby confirms that all statements and undertakings specifically made or confirmed by it in this Updated Draft Red Herring Prospectus-I in relation to itself, as the Promoter Selling Shareholder and its respective portion of the Offered Shares are true and correct, provided however, the undersigned Promoter Selling Shareholder assumes no responsibility for any other statement, disclosure, and undertakings, including any statements, disclosures and undertakings made or confirmed by or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Updated Draft Red Herring Prospectus-I.

For and on behalf of Kopvoorn B.V.

Authorised Signatory

Name: T. Bogaards

Date: June 26, 2025

Place: Amsterdam

DECLARATION BY THE OTHER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby confirms that all statements, and undertakings specifically made or confirmed by it in this Updated Draft Red Herring Prospectus-I in relation to itself as a Selling Shareholder and its respective portion of Offered Shares are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement, disclosure, and undertakings, including any statements, disclosures and undertaking made or confirmed by, or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Updated Draft Red Herring Prospectus-I.

For and on behalf of HDFC Bank Limited

Authorised Signatory

Name: Ajay Agarwal, Company Secretary Group Head – Secretarial and Group Oversight

Date: June 26, 2025

Place: Mumbai