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**MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED**

Corporate Identity Number: U74899DL1985PLC020900

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL
Office No. 223, 2 <sup>nd</sup> Floor, Vardhman Dwarka Dheesh, Plot No 3, Sec-10, Dwarka, New Delhi - 110075	V29/11 A, DLF Phase III, Gurugram, Haryana - 122010	Shalu Gupta, Company Secretary and Compliance Officer	<a href="mailto:compliance@mitrata.in">compliance@mitrata.in</a>
TELEPHONE / MOBILE NO.	WEBSITE		
+91 1145073550	<a href="http://www.mitrata.in">www.mitrata.in</a>		

THE PROMOTERS OF OUR COMPANY ARE DR. AQUEEL AHMED KHAN, PRABHAKAR RAWAT AND  
ASK TRAINING & LEARNING PRIVATE LIMITED

Type	Fresh Issue Size	OFS size (by no. of shares or by amount in Rs)	Total Offer Size	Eligibility
Fresh Issue and Offer for Sale	Up to 65,07,571 Equity Shares aggregating up to ₹ [●] Lakhs	Up to 6,92,429 Equity Shares aggregating up to ₹ [●] Lakhs	Up to 72,00,000 Equity Shares aggregating up to ₹ [●] Lakhs	THE OFFER IS BEING MADE PURSUANT TO REGULATION 229(2) OF CHAPTER IX OF SEBI (ICDR) REGULATIONS, 2018 AS AMENDED

**DETAILS OF OFFER FOR SALE BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS – FARAH SIDDIQUI AND  
PRAKASH LAYAK**

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED/AMOUNT (₹ IN LAKHS)	WEIGHTAGE AVERAGE COST OF ACQUISITION PER EQUITY SHARES (IN ₹) *
Farah Siddiqui	Selling shareholder	Upto 6,00,000 Equity Shares aggregating up to ₹ [●] Lakhs	22.65
Prakash Layak	Selling shareholder	Upto 92,429 Equity Shares aggregating up to ₹ [●] Lakhs	Nil

\*As certified by R Gopal &amp; Associates., Chartered Accountants dated September 03, 2024

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each and the Offer Price is [●] times of the face value of the Equity Shares. The Offer Price determined and justified by our Company in consultation with the Book Running Lead Manager as stated in “Basis for Offer Price” on page 107 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**



Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled “Risk Factors” beginning on page 31 of this Draft Red Herring Prospectus.

**COMPANY’S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only such statements made by them in this Draft Red Herring Prospectus to the extent such information specifically pertains to such Selling Shareholder and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, assumes no responsibility for any other statements made in this Draft Red Herring Prospectus, including any of the statements made by or relating to our Company or Company’s business or any other Selling Shareholders or any other person(s), in this Draft Red Herring Prospectus

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle approval letter dated [●] from EMERGE Platform of National Stock Exchange of India Limited

BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p><b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> Website: <a href="http://www.fedsec.in">www.fedsec.in</a> Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>	 <p><b>LINK INTIME INDIA PRIVATE LIMITED</b> C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Tel No: +91 8108114949 E-mail Id: <a href="mailto:mitrata ipo@linkintime.co.in">mitrata ipo@linkintime.co.in</a> Investor Grievance Email: <a href="mailto:mitrata ipo@linkintime.co.in">mitrata ipo@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058</p>

**OFFER PROGRAMME**

ANCHOR INVESTOR BID/ OFFER PERIOD*	BID/OFFER OPENS ON*: [●]	BID/OFFER CLOSES ON**: [●]**
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\*Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors 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.

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



**MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED**

Our Company was originally incorporated as a private company in the name and style of "Sona Finance Private Limited" under the erstwhile Companies Act, 1956 vide certificate of incorporation dated May 13, 1985 issued by Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to "Mitrata Inclusive Financial Services Private Limited" pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary general meeting held on October 23, 2018. The Registrar of Companies, Delhi issued a fresh certificate of incorporation dated December 20, 2018, upon change of the name of the Company. Our Company was then converted from a private limited company to a public limited company, pursuant to a resolution passed in the Extraordinary General Meeting of our members held on February 09, 2024, and consequently, the name of our Company was changed to "Mitrata Inclusive Financial Services Limited", and a fresh certificate of incorporation consequent upon conversion from a private company to the public company dated July 08, 2024, was issued by the Registrar of Companies, Delhi and Haryana. For further details, please refer to the chapter titled **"History and Certain Corporate Matters"** beginning on page 178 of this Draft Red Herring Prospectus.

**Registered Office:** Office No. 223, 2nd Floor, Vardhman Dwarka Dheesh, Plot No 3, Sec-10, Dwarka, New Delhi – 110075

**Corporate Office:** V29/11 A, DLF Phase III, Gurugram, Haryana – 122010

**Corporate Identity Number:** U74899DL1985PLC020900

**Tel No. / Mob No:** +91 1145073550; **Email:** [compliance@mitrata.in](mailto:compliance@mitrata.in); **Website:** [www.mitrata.in](http://www.mitrata.in)

**Contact Person:** Shalu Gupta, Company Secretary & Compliance Officer

**OUR PROMOTERS: DR. AQUEEL AHMED KHAN, PRABHAKAR RAWAT AND ASK TRAINING & LEARNING PRIVATE LIMITED**

**THE OFFER**

**INITIAL PUBLIC OFFER\* OF UPTO 72,00,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH ("EQUITY SHARES") OF MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE"), AGGREGATING UP TO ₹ [●] LAKHS (THE "OFFER"), COMPRISING A FRESH ISSUE OF UP TO 65,07,571 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH ("EQUITY SHARES") AGGREGATING UP TO ₹ [●] (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,92,429 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH ("EQUITY SHARES") AGGREGATING UP TO ₹ [●] BY FARAH SIDDIQUI AND UP TO 92,429 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH ("EQUITY SHARES") AGGREGATING UP TO ₹ [●] BY PRAKASH LAYAK (COLLECTIVELY THE "SELLING SHAREHOLDERS") AND ("OFFERED SHARES") ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER THE CHAPTER TITLED "TERMS OF THE OFFER" ON PAGE 298 OF THIS DRAFT RED HERRING PROSPECTUS.**

**\*Subject to finalization of basis of allotment**

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER, (HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of one Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"). Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, 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 5.00% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% 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. All Bidders are required to participate in the Offer by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see **"Offer Procedure"** beginning on page 309 of this Draft Red Herring Prospectus.

**ELIGIBLE INVESTORS**

All potential investors shall participate in the Offer only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrevocable bank accounts and / or UPI IDs, in case of RILs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to **"Offer Procedure"** on page 309 of this Draft Prospectus. A copy of the Prospectus will be filed for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public Offer of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The Offer Price (determined and justified by our Company in consultation with the Book Running Lead Manager) as stated under **"Basis for Offer Price"** beginning on page 107 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled **"Risk Factors"** beginning on page 31 of this Draft Red Herring Prospectus.

**COMPANY'S AND SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regards to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only such statements made by them in this Draft Red Herring Prospectus to the extent such information specifically pertains to such Selling Shareholder and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, assumes no responsibility for any other statements made in this Draft Red Herring Prospectus, including any of the statements made by or relating to our Company or Company's business or any other Selling Shareholder.

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] For the purpose of the Offer, the Stock Exchange will be NSE Limited. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and Section 32 of the Companies Act. 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"** beginning on page 367

**BOOK RUNNING LEAD MANAGER TO THE OFFER**

**REGISTRAR TO THE OFFER**



**FEDEx SECURITIES PRIVATE LIMITED**

B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East],  
Mumbai - 400 057, Maharashtra, India  
**Tel No.:** +91 81049 85249  
**E-mail:** [mb@fedsec.in](mailto:mb@fedsec.in)  
**Website:** [www.fedsec.in](http://www.fedsec.in)  
**Contact Person:** Saipam Sanghvi  
**SEBI Registration Number:** INM000010163  
**Investor Grievance E-Mail:** [mb@fedsec.in](mailto:mb@fedsec.in)

**LINK INTIME INDIA PRIVATE LIMITED**

C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India  
**Tel No:** +91 8108114949  
**E-mail Id:** [mitrata ipo@linkintime.co.in](mailto:mitrata ipo@linkintime.co.in)  
**Investor Grievance Email:** [mitrata ipo@linkintime.co.in](mailto:mitrata ipo@linkintime.co.in)  
**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058

**OFFER PROGRAMME**

<b>ANCHOR INVESTOR BID/ OFFER PERIOD*</b>	[●]
<b>OFFER OPENES ON**:</b>	[●]
<b>OFFER CLOSES ON**:</b>	[●]***

\*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.

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

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## SECTION - I – GENERAL

### DEFINITION AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act, 2013, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act, and the rules and regulations made thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Statement of Tax Benefits*”, “*Restated Financial Statement*”, “*Outstanding Litigations and Material Developments*”, and “*Main Provision of Articles of Association*” beginning on pages 131, 167, 123, 203, 266 and 345 respectively of this Draft Red Herring Prospectus, shall have the meanings ascribed to such terms in the respective chapters.

### GENERAL TERMS

Term	Description
“the Company”/ “our Company”/ “Issuer” / “Mitrata Inclusive Financial Services Limited”	Mitrata Inclusive Financial Services Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Office No. 223, 2 <sup>nd</sup> Floor, Vardhman Dwarka Dheesh, Plot No 3, Sec-10, Dwarka, New Delhi-110075
“Promoters”	The promoters of our Company are Dr. Aqueel Ahmed Khan, Prabhakar Rawat and ASK Training and Learning Pvt Ltd.
“Promoter Group”	Includes such persons and entities constituting the promoter group of our company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, and as disclosed under chapter titled “ <i>Our Promoters and Promoter Group</i> ” on page 197 of this Draft Red Herring Prospectus.
“we”/ “us” / “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”/ “your”/ “yours”	Prospective investors in this Issue.

### COMPANY RELATED AND CONVENTIONAL TERMS

Term	Description
“AOA” / “Articles” / “Articles of Association”	The articles of association of our Company, as amended
“Audit Committee”	The Audit Committee of our Board, as described in the chapter titled “ <i>Our Management</i> ” beginning on page 182 of this Draft Red Herring Prospectus.
“Auditors”/ “Statutory Auditors” / “Peer Review Auditor”	The statutory auditor of our Company, being M/s. R Gopal & Associates, Chartered Accountants bearing Firm Registration No. 000846C and Peer Review Number: 016585.
“Board” / “Board of Directors”	The Board of Directors of our Company, or a duly constituted committee thereof. For details, see “ <i>Our Management</i> ” beginning on page 182 of this Draft Red Herring Prospectus.
“Company Secretary and Compliance Officer”	The Company Secretary and Compliance Officer of our Company, being Shalu Gupta.
“Chief Financial Officer”/ “CFO”	The Chief Financial Officer of our Company, being Sumit Mittal.
“Corporate Social Responsibility Committee” or “CSR Committee”	Corporate Social Responsibility committee of our Board, as described in “ <i>Our Management</i> ” on page 182 of this Draft Red Herring Prospectus.



Term	Description
“Corporate Identification Number”	U74899DL1985PLC020900
“Corporate Promoter”	Our Corporate Promoter namely ASK Training and Learning Private Limited
“Director(s)”	The director(s) on the Board of our Company as described in “ <b><i>Our Management</i></b> ” beginning on page 182 of this Draft Red Herring Prospectus.
“Equity Shares”/ “Shares”	The Equity Shares of our Company having face value of ₹10.00/- each, fully paid up, unless otherwise specified in the context thereof.
“Equity Shareholders” / “Shareholders”	Persons /entities holding Equity Shares of our Company, from time to time.
“Group Companies”	Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and also other companies as considered material by our Company, and as disclosed in the chapter titled “ <b><i>Our Group Companies</i></b> ” beginning on page 201 of this Draft Red Herring Prospectus.
“Independent Director”	Independent directors on the Board, who are eligible to be appointed as an independent director under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, please refer to the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 182 of this Draft Red Herring Prospectus.
“Individual Promoters”	Our individual Promoters, namely, Dr. Aqueel Ahmed Khan and Prabhakar Rawat
“IPO Committee”	The IPO committee of our Board, as described in “ <b><i>Our Management</i></b> ” on page 182 of this Draft Red Herring Prospectus
“ISIN”	International Securities Identification Number is INE0B3O01012.
“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. For details, please refer to the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 182 of this Draft Red Herring Prospectus.
“Managing Director” / “MD”	Dr. Aqueel Ahmed Khan is the Managing Director of our Company. For details, please refer to the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 182 of this Draft Red Herring Prospectus.
“Whole-time Director”	Prabhakar Rawat is the Whole-time director(s) of our Company
“Materiality Policy”	The policy adopted by our Board on August 05, 2024 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations.
“MOA” / “Memorandum of Association”	The Memorandum of Association of our Company, as amended from time to time.
“Nomination & Remuneration Committee”	The nomination and remuneration committee of our Board described in the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 182 of this Draft Red Herring Prospectus.
“NRIs” / “Non-Resident Indian”	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
“Person or Persons”	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
“Preference Shares” or “CCPS”	Collectively, Pre-Series CCPS and Series A CCPS
“Registered Office”	The registered office of our Company, situated office No 223, 2 <sup>nd</sup> floor, Vardhman Dwarka Dheesh, Plot No 3, Sec 10, Dwarka, New Delhi-110075
“Registrar of Companies” / “ROC”	Registrar of Companies, Delhi & Haryana

Term	Description
“Restated Financial Information” or “Restated Financial Statements”	The Restated Audited Financial Statements of our Company for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 which comprises of the restated balance sheet, restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto disclosed in the chapter titled “ <b>Restated Financial Statements</b> ” beginning on page 203 of this Draft Red Herring Prospectus.
“Risk Management Committee”	The risk management committee of our Board, as described in “ <b>Our Management</b> ” on page 182 of this Draft Red Herring Prospectus
“Selling Shareholders” or “Investor Selling Shareholders”	Farah Siddiqui and Prakash Layak
“Senior Management Personnel” / “SMP”	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in “ <b>Our Management</b> ” on page 182 of this Draft Red Herring Prospectus.
“Shareholder Agreement”	Shareholders’ agreement dated September 21, 2019, executed between Mitrata Inclusive Financial Services Private Limited, Farah Siddiqui, Dr. Aqueel Ahmed Khan, Prabhakar Rawat, Bindiya Rawat, Prakash Layak, Manas Bhattacharya, Mohd. Saleem Siddiqui, Asha Rai, Sarojini Kongadi, Mukti Kerkatta and Anjum Ara.
“Share Subscription Agreement 1”	Share Subscription Agreement dated December 12, 2019, executed between Mitrata Inclusive Financial Services Private Limited, Sumit Mittal, Dr. Aqueel Ahmed Khan and Prabhakar Rawat
“Share Subscription Agreement 2”	Share Subscription Agreement dated December 18, 2021, executed between Mitrata Inclusive Financial Services Private Limited, Ask training and Learning Private Limited, Dr. Aqueel Ahmed Khan and Prabhakar Rawat
“Share Subscription Agreement 3”	Share Subscription Agreement dated January 25, 2023, executed between Mitrata Inclusive Financial Services Private Limited, Ask training and Learning Private Limited, Dr. Aqueel Ahmed Khan and Prabhakar Rawat.
“Securities Subscription Agreement”	Securities Subscription Agreement dated September 21, 2019, executed between Mitrata Inclusive Financial Services Private Limited, Farah Siddiqui, Dr. Aqueel Ahmed Khan and Prabhakar Rawat
“Shareholders”/ “Members”	Holders of equity shares of our Company from time to time
“Stakeholders’ Relationship Committee”	The stakeholders’ relationship committee of the Board of Directors constituted in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ <b>Our Management</b> ” beginning on page 182 of this Draft Red Herring Prospectus.

## ISSUE RELATED TERMS

Term	Description
“Abridged Prospectus”	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
“Acknowledgement Slip”	The acknowledgement slips or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form
“Allot” / “Allotment” / “Allotted” / “Allotment of Equity Shares”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants
“Allotment Advice”	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
“Allottee(s)”	A successful Applicant to whom the Equity Shares are being allotted
“Anchor Investor(s)”	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million.
“Anchor Investor Allocation Price”	The price at which Equity Shares will be allocated to the Anchor Investors during the Anchor Investor Bid Period in terms of the Red Herring Prospectus and the

Term	Description
	Prospectus, which will be determined by our Company, in consultation with the Book Running Lead Managers.
“Anchor Investor Application Form”	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and the Prospectus
“Anchor Investor Bidding Date” or “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 Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
“Anchor Investor Offer Price”	The final price at which the Equity Shares will be Allotted to the 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 determined by our Company, in consultation with the Book Running Lead Managers
“Anchor Investor Pay-in Date”	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
“Anchor Investor Portion”	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis by our Company, in consultation with the Book Running Lead Managers in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations
“Allotment Date”	Date on which the Allotment is made
“Applicant” / “Investor”	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus and the Application Form.
“Application Lot”	[●] Equity Shares and in multiples thereof
“Application Amount”	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus
“Application Supported by Blocked Amount”/ “ASBA”	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account in the specified Bank Account maintained with such SCSB and will include applications made by UPI Applicant using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by UPI Applicant using UPI Mechanism
“ASBA Account”	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form and includes the account of an UPI Applicant which is blocked upon acceptance of a UPI Mandate Request made by the RIIs using the UPI Mechanism.
“ASBA Applicant(s)”	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
“ASBA Form”	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Prospectus.
“Bankers to the Company”	AU Small Finance Bank Limited, Bandhan Bank, Indian Overseas Bank, Jana Small Finance Bank Limited, RBL Bank Limited, State Bank of India and Union Bank of India.
“Banker to the Offer” / “Refund Banker” / “Public Issue Bank	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, [●].
“Bankers to the Offer Agreement”	Banker to the Offer Agreement entered on [●] amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Banker to the Issue / Sponsor Bank for collection of the Application Amount on the terms and conditions thereof.

Term	Description
“Basis of Allotment”	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in the chapter titled <b>“Issue Procedure”</b> beginning on page 309 of this Draft Red Herring Prospectus.
“Bid”	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA 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 relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
“Bid Lot”	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
“Bid/Issue Closing Date”	<p>The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in in all editions [●], an English national daily newspaper and all editions [●], a Hindi national daily newspaper, (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation.</p> <p>Our Company in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations</p>
“Bid/Issue Opening Date”	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in in all editions [●], an English national daily newspaper and all editions [●], a Hindi national daily newspaper, (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation.
“Bid/ Issue Period”	<p>The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of one Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days</p>
“Bidder”/ “Investor”	Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus.
“Bidding Centres”	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
“Bid Amount”	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
“Bid cum Application Form”	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
“Book Building Process”	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made

Term	Description
“BRLM” / “Book Running Lead Manager”	Book Running Lead Manager to the Offer, in this case being Fedex Securities Private Limited.
“Bidding Centres”	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
“Broker Centers”	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange
“Business Day”	Any day on which commercial banks are open for the business.
“CAN” / “Confirmation of Allocation Note”	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange.
“Cap Price”	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalised and above which no Bids will be accepted
“Client ID”	Client Identification Number of the Beneficiary Account.
“Collection Centers”	Broker Centers notified by NSE where Applicant can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the NSE
"Collecting Depository Participant" / “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
“Collecting Registrar and Share Transfer Agent” / “CRTAs”	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
“Controlling Branches”/ “Controlling Branches of the SCSBs”	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applications with the Registrar to the Issue and NSE and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
“Demographic Details”	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
“Depositories”	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
“Depository Participant”/ “DP”	A depository participant registered with SEBI under the Depositories Act.
“Designated CDP Locations”	Such centre of the CDPs where applicant can submit the ASBA For The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of NSE.
“Designated Date”	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, following which the Board may Allot Equity Shares to successful Applications in the Issue.
“Designated Intermediaries”	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
“Designated Market Maker”	[•] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
“Designated RTA Locations”	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the NSE Limited.



Term	Description
“Designated SCSB Branches”	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> .
“Designated Stock Exchange”	EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE)
“Draft Red Herring Prospectus”	Draft Red Herring prospectus dated April 30, 2024 issued in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
“Electronic Transfer of Funds”	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
“Eligible NRI”	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
“Eligible QFIs”	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
“EMERGE Platform of NSE” / “SME Exchange” / “Stock Exchange” / “NSE EMERGE”	The EMERGE Platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
“Escrow Account(s)”	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/ NACH in respect of the Applicant Amount.
“Escrow Agreement”	An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Book Running Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof.
“Escrow Collection Bank(s)”	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●].
“First/ Sole bidder”	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
“Floor Price”	The 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 Issue Price will be finalised and below which no Bids will be accepted.
“Foreign Venture Capital Investors”	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
“FPI” / “Foreign Portfolio Investor”	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
“Fresh Issue”	The fresh issue component of the Offer comprising of an issuance by our Company of up to 72,00,000 Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs.
“FII”/ “Foreign Institutional Investors”	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
“Fugitive economic offender”	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
“Fraudulent Borrower”	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
“General Information Document”/ “GID”	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37)

Term	Description
	dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Manager
“Listing Agreement”	The Listing Agreement to be signed between our Company and EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE).
“Lot Size”	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
“Mandate Request”	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
“Market Making Agreement”	The Market Making Agreement dated [●], 2024 between our Company, the Book Running Lead Manager and Market Maker.
“Market Maker”	The market maker of our Company being [●].
“Market Maker Reservation Portion”	The reserved portion of [●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at a price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs for the Market Maker in this Issue.
“MSME”	Micro Small and Medium Enterprises
“Mutual Fund(s)”	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
“National Stock Exchange of India Limited”	NSE
“Net Offer”	The Offer (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹10.00/- each fully paid-up of our Company for cash at a price of ₹. [●]/- per Equity Share aggregating up to ₹ [●] Lakhs.
“Net Proceeds”	The proceeds from the Fresh Issue less the offer related expenses applicable to the Fresh Issue. For further details, please refer to chapter titled “ <i>Objects of the Offer</i> ” on page 102 of this Draft Prospectus.
“Non-Institutional Applicant” / “Non-Institutional Investor” / “NIB”/ “NII”	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicant and who have applied for Equity Shares for an amount of more than ₹ 2 Lakhs.
“Non-Resident”	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
“NRIs” / “Non-Resident Indian”	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
“Offer” / “Public Offer” / “Offer Size”/ “IPO”/ “Issue”	The initial public offering of the Equity Shares of our Company by way of the Fresh Issue and the Offer for Sale
“Offer Agreement”	The agreement dated August 06, 2024 between our Company, Selling Shareholders and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
“Offer Closing Date”	The date on which the Offer closes for subscription.
“Offer for Sale”	The offer for sale component of the Offer, comprising of an offer for sale of up to 6,92,429 Equity Shares at ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs, comprising up to 6,00,000 Equity Shares by Farah Siddiqui and up to 92,429 Equity Shares by Prakash Layak
“Offer Opening Date”	The date on which the Offer opens for subscription.
“Offer Period”	The period between the Offer Opening Date and the Offer Closing Date (inclusive of such date and the Offer Opening Date) during which prospective Applicants can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of Applicants. Our Company, in consultation with the Book Running Lead Manager, may decide to close applications by QIBs one (1) day prior to the Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Offer Opening Date was published.
“Offer Price”	₹ [●] per Equity Share (Including Premium of ₹ [●] per share)

Term	Description
“Offer Proceeds”	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see <b>“Objects of the Offer”</b> beginning on page 102 of this Draft Prospectus.
“Offered Shares”	The Equity Shares being offered by the Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 6,92,429 Equity Shares divided into up to 6,00,000 Equity Shares by Farah Siddiqui and up to 92,429 Equity Shares by Prakash Layak
“Overseas Corporate Body”/ “OCB”	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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
“Person or Persons”	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
“Price Band”	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date
“Prospectus”	The Prospectus to be filed with the ROC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
“Public Issue Account”	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
“QIBs”/ “Qualified Institutional Buyers”	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations.
“Refund Account”	Account to which Application monies are to be refunded to the Applicant.
“Refund through electronic transfer of funds”	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable.
“Refund Bank” / “Refund Banker”	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
“Red Herring Prospectus” / “RHP”	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto
“Registered Brokers”	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of [●] having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012.
“Registrar Agreement”	The agreement dated August 06, 2024 entered between our Company, Selling Shareholders and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
“Registrar and Share Transfer Agents” / “RTAs”	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
“Registrar to the Offer”/ “Registrar”	Link Intime India Private Limited
“Resident Indian”	A person resident in India, as defined under FEMA
“Retail Individual Investors”	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2 Lakhs.

Term	Description
“Revision Form”	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicant can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date.
“SME”	Small and medium sized enterprises
“Self-Certified Syndicate Bank(s)” / “SCSBs”	<p>The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>, or such other website as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted 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 (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> as updated from time to time. In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UP Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time</p>
“Sponsor Bank”	Sponsor Bank being [ ● ] being a Banker 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 Applicant using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
“Specified Locations”	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
“Stock Exchange”	EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE).

Term	Description
“Syndicate Member”	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
“TRS” / “Transaction Registration Slip”	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
“Underwriter”	[●]
“Underwriting Agreement”	The Agreement dated [●], 2024 entered between the Underwriter and our Company
“UPI”	Unified payment Interface, which is an instant payment mechanism, developed by NPCI
“UPI Bidder”	Collectively, individual investors applying as (i) Retail Individual Applicants, in the Retail Portion, and (ii) Non-Institutional Applicants with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
“UPI Circulars”	EBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 (to the extent these circulars are not rescinded by SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023),SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022,SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism),SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023,SEBI circular no. 12 SEBI/HO/CFD/TPD1/CIR/P/2023/140dated August 9, 2023, 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, 2022and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard
“UPI Investors”	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5 Lakhs shall use the UPI Mechanism. In light of the above, NIIs investment up to 5 Lakhs may participate through UPI mechanism and accordingly they should be classified as UPI Investors.



Term	Description
“UPI ID”	ID Created on the UPI for single-window mobile payment system developed by NPCI
“UPI PIN”	Password to authenticate UPI transaction
“UPI Mandate Request”	<p>A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI(<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>)and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time.</p>
“UPI Mechanism”	The mechanism that may be used by UPI Investors in accordance with the UPI Circulars to make an ASBA Applications in the Issue
“U.S Securities Act”	U.S Securities Act of 1933, as amended
“Wilful Defaulter or a fraudulent borrower”	An entity or a person categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
“Working Days”	“Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and in case of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

Term	Description
₹/ Rupees/ INR/ Indian Rupees	The lawful currency of the Republic of India
US\$/ USD/ U.S. Dollars	The lawful currency of the United States of America
AAY	Antodaya Ann Yojna
ABSS	Amrit Bharat Station Scheme
ACC	Advanced Chemistry Cell
ADB	Asian Development Bank
AI	Artificial Intelligence
AIDef	AI in Defence
AIF	Alternative Investment Funds
ALM	Asset and Liability Management
AMS	Amrit Bharat Station scheme
AMFI	Association of Mutual Funds in India
API	Application Programming Interface
ASK	Association for Stimulating Know-how
AUM	Asset Under Management
BGs	Bank Guarantees
BSE	Bombay Stock Exchange
BFSI	Banking, Financial Services and Insurance
BSNL	Bharat Sanchar Nigam Limited
BOT	Build-Operate-Transfer
BTDP	Border Tourism Development Programme
CAD	Current Account Deficit

Term	Description
CAGR	Compound Annual Growth Rate
CAZRI	Central Arid Zone Research Institute
CBDC	Central Bank Digital Currency
CB	Credit Bureau
CGT	Credit Guarantee Test
CCTS	Carbon Credit Trading Scheme
CGS	Credit Guarantee Scheme
CGFS	Credit Guarantee Fund Scheme
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CGSS	Credit Guarantee Scheme for Start-ups
CGST	Central Goods and Services Tax
CGT	<u>Compulsory Group Training</u>
CEPA	Comprehensive Partnership Agreement
CM	Credit Manager
CPI	Consumer Price Index
CRAR	Capital to Risk-Weighted Assets Ratio
DII	Domestic Institutional Investors
DHFL	Dewan Housing Finance Corporation
DFI	Development financial institutions
DPA	Deendayal Port Authority
DNTs	Denotified Tribal Communities
D & O	Director & Officer
DoS	Department of Space
DoT	Department of Telecommunications
DPIIT	Department for Promotion of Industry and Internal Trade
DTA	Derivatives Trade Association
ECB	External Commercial Borrowing
EMI	Equated Monthly Installment
e-NACH	Electronic National Automated Clearing House
ETPs	Effluent Treatment Plant
FDI	Foreign Direct Investment
FIA	Futures Industry Association
FII	Foreign Institutional Investors
FPDT	Food and Public Distribution and Textiles
FRE	First Revised Estimates
FPI	Foreign Portfolio Investors
FTP	Foreign Trade Policy
FTA	Free Trade Agreements
GDP	Gross Domestic Product
GII	Global Innovation Index
GMC	Group Medical Coverage
GNPA	Gross Non-Performing Assets
GPA	Group Personnel Accident
GRT	Group Recognition Test
GST	Goods and Services Tax
G-secs	Government Securities
GoI	Government of India
HR	Human Resource
HSBC	Hong Kong and Shanghai Banking Corporation
HFI	High-Frequency Indicators
IndAus ECTA	India-Australia Economic Cooperation and Trade Agreement
India	Republic of India
ICAR	Indian Council of Agricultural Research
ID	Identification

Term	Description
IDRCL	India Debt Resolution Co. Ltd
IFSC	International Financial Services Centres Authority
IFIICC	International Federation of the Indo-Israel Chambers of Commerce
IMP	Immediate Payment Service
IPO	Initial Public Offer
IISR	Indian Institute of Spices Research
IIP	Index of Industrial Production
IT	Information Technology
JLGs	Joint Liability Groups
KMS	Kharif Marketing Season
KYC	Know Your Customer
LIC	Life Insurance Company
LLC	Limited Liability Company
LMT	Lakh Metric Tonnes
MIS	Management Information System
MF	Mutual Fund
MFI	Microfinance Institution
MEL	Micro Enterprise Loans
MP	Mega Food Parks
MoCI	Minister of Commerce and Industry
MoSPI	Ministry of Statistics & Programme Implementation
MoR	Ministry of Railways
MoEF & CC	Ministry of Environment, Forests, and Climate Change
MoU	Memorandum of Understanding
MSME	Ministry of Micro, Small & Medium Enterprises
MUDRA	Micro Units Development and Refinance Agency
NARCL	National Asset Reconstruction Company Ltd
NaBFID	National Bank for Financing Infrastructure and Development
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-Banking Financial Companies
NBFC-MFIs	Non-Banking Financial Companies – Micro-Finance Institutions
NBFC-SBR	Non-Banking Financial Companies – Scale-Based Regulation
NBFC-ND-SI	Non-Banking Financial Companies- Non-Deposit Taking- Systematically Important
NIPL	NPCI International Payments
NCD	Non-Convertible Debentures
NEFT	National Electronic Funds Transfer
NPA	Non-Performing Asset
NNPA	Net Non-Performing Assets
NPCI	National Payments Corporation of India
NSE	National Stock Exchange
NTCs	Nomadic tribal communities
OCR	Optical Character Recognition
OSOP	One Station, One Product
PDC	Post-Dated Cheque.
PE	Private Equity
PHH	Primary Household
PLI	Production Linked Incentive Scheme
PM-DevINE	Prime Minister's Development Initiative for North-East Region
PMI	Purchasing Managers' Index
PMSY	Pradhan Mantri Suryodaya Yojana
PMGKAY	Pradhan Mantri Garib Kalyan Ann Yojana
PPP	Public-Private Partnership
RBI	Reserve Bank of India

Term	Description
RFML	Regulatory Framework for Microfinance Loans
R&D	Research & Development
RMS	Rabi Marketing Season
SCB	Scheduled Commercial Banks
SDL	State Development Loans
SIP	Systematic Investment Plan
SEBI	Securities and Exchange Board of India
SEED	Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities
SFPD	Special Food Processing Fund
SEZ	Special Economic Zone
SGST	State Goods and Services Tax
SMERA	SME Rating Agency of India
TAT	Turnaround Time
TTDF	Telecom Technology Development Fund
UAE	United Arab Emirates
UHNWI	Ultra High Net Worth Individuals
UNHCR	United Nations High Commission for Refugees
UPI	Unified Payments Interface
USOF	Universal Service Obligation Fund
WASH	Water and Sanitation Loan
VAPT	Vulnerability Assessment and Penetration Testing
VC	Venture Capital
WFE	World Federation of Exchanges
YoY	Year-over-Year

#### CONVENTIONAL TERMS & ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
COPRA	The Consumer Protection Act, 1986
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Contract Act	The Indian Contract Act, 1872

Term	Description
Covid-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation.
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees' State Insurance Act, 1948
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal Year / FY	Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GOI/Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Import Export Code
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Rs. / Rupees / INR / Rs. / ₹	Indian Rupees



Term	Description
IGST	Integrated GST
IT Act	Income-tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
KMP	Key Managerial Personnel
Ltd.	Limited
IT Act	Income-tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometers
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
Mn	Million
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MOU	Memorandum of Understanding
N.A. / NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSE EMERGE	EMERGE Platform of National Stock Exchange of India Limited
P.A.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
ROCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SEBI	The Securities and Exchange Board of India constituted under SEBI Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.

Term	Description
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 Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations/ SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sq. mts	Square Meters
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TPA	Tonnes Per Annum
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
WCTL	Working Capital Term Loan
WEO	World Economic Outlook
WHO	World Health Organization
YoY	Year on Year

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as *“aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue”* or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All statements contained in the Draft Red Herring Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- 1) The microfinance industry in India faces certain risks due to the category of customers that it services, which are not generally associated with other forms of lending. As a result, we may experience increased levels of non-performing assets and related provisions and write-offs that may adversely affect our business, financial condition and results of operations.
- 2) Our business is vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations.
- 3) If we are unable to manage our growth effectively, our business and reputation could be adversely affected. Furthermore, we may not be able to sustain the growth rates we have had since our inception.
- 4) An increase in the level of our non-performing assets or provisions may adversely affect our financial condition and results of operations.
- 5) As a non-banking financial company – microfinance institution, we are subject to periodic inspections by the Reserve Bank of India.
- 6) We are subject to certain conditions under our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.
- 7) Changes in the tenure of our loan products could result in asset liability mismatches and expose us to interest rate and liquidity risks, which may adversely affect our business, financial condition, results of operations and cash flows.

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled ***“Risk Factors”, “Business Overview”*** and ***“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** on pages 31, 140 and 241 of this Draft Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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 our future performance.

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

Neither our Company, Selling Shareholders, our Directors, our Promoters, the Book Running Lead Managers, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying

assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange. In accordance with the SEBI ICDR Regulations, the Selling Shareholders, severally and not jointly (solely to the extent of statements specifically made or confirmed by such Selling Shareholder, in relation to its portion of Offered Shares in this Draft Red Herring Prospectus) shall ensure that our Company is informed of material developments in relation to statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to it and its portion Offered Shares from the date of this Draft Red Herring Prospectus, until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholders in relation to themselves as a Selling Shareholders and the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholders. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

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

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

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh.

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

In this Draft Red Herring Prospectus, the terms "we", "us", "our", unless the context otherwise indicates or implies, refers to our Company.

### Financial Data

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from the Restated Financial Statements of our Company for the Financial Years ended March 31, 2024, 2023 and 2022 respectively prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "*Reports in Company Prospectus*", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled "*Restated Financial Statements*" beginning on page 203 of this Draft Red Herring Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In the Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapters titled "*Risk Factors*", "*Business Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 31, 140 and 241, respectively, of this Draft Red Herring Prospectus and elsewhere in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### Currency and units of presentation

In the Draft Red Herring Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or 'Rs.' or 'INR' or "₹" are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lakhs and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed



are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### Industry and Market Data:

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors**” beginning on pages 31. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in the Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### Exchange Rates

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

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

Currency <sup>#</sup>	As on March 31, 2024 <sup>(1)</sup>	As on March 31, 2023 <sup>(1)</sup>	As on March 31, 2022 <sup>(1)</sup>
1 USD	83.37	82.23	75.81

Source: [www.fbiil.org.in](http://www.fbiil.org.in)

\*March 28, 2024 is considered, since March 31, 2024 being a non-trading day.

(1) All figures are rounded up to two decimals

### NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in “offshore transactions”, as defined in, and in reliance on Regulation S.

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.

## SUMMARY OF OFFER DOCUMENT

*The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective Investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including ‘Risk Factors’, ‘The Offer’, ‘Capital Structure’, ‘Objects of the Offer’, ‘Industry Overview’, ‘Business Overview’, ‘Our Promoters and Promoter Group’, ‘Restated Financial Statements’, ‘Outstanding Litigation and Material Developments’, ‘Offer Procedure’ and ‘Main Provisions of Articles of Association’ beginning on pages, 31, 84, 102, 131, 140, 197, 203, 266, 309, 345 respectively of this Draft Red Herring Prospectus.*

### SUMMARY OF BUSINESS

We are a non-banking finance company (“NBFC”) - microfinance institution (“MFI”) providing credit facility to the marginalized, excluded and vulnerable groups for enterprise development and other essential needs. Mitrata, as the name suggests, embodies two core principles: Friendship and Inclusivity. Accordingly, as an MFI we offer microfinance loans with an aim of economic upliftment of the poor and marginalized across all religions, castes and communities.

For more details, please refer to the chapter titled “**Business Overview**” beginning on page 140 of this Draft Red Herring Prospectus.

### SUMMARY OF INDUSTRY

India has a diversified financial sector undergoing rapid expansion both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

For more details, please refer chapter titled “**Industry Overview**” on page 131 of this Draft Red Herring Prospectus.

### PROMOTERS

The Promoters of our Company are Dr. Aqueel Ahmed Khan, Prabhakar Rawat & ASK Training and Learning Private Limited.

### OFFER SIZE

The following table summarizes the details of the Offer. For further details, please refer chapter titled “**The Offer**” and “**Offer Structure**” on pages 68 and 306, respectively of this Draft Red Herring Prospectus.

<b>Offer <sup>(1)</sup></b>	Up to 72,00,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ [●] Lakhs
<b>of which</b>	
<b>i) Fresh Issue <sup>(1)</sup></b>	Up to 65,07,571 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per share) aggregating to ₹ [●] Lakhs
<b>ii) Offer for sale <sup>(2)</sup></b>	Up to 6,92,429 Equity Shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating up to ₹ [●] Lakhs being offered by the Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 6,92,429 Equity Shares divided into up to 6,00,000 Equity Shares by Farah Siddiqui and up to 92,429 Equity Shares by Prakash Layak

(1) The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 05, 2024 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on August 06, 2024 pursuant to section 62(1)(c) of the Companies Act.

(2) Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each Selling Shareholders has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “**Other Regulatory and Statutory Disclosures – Authority for the Offer**” on page 284 of this Draft Red Herring Prospectus.

The Offer shall constitute [●] % of the post Offer paid up Equity Share capital of our Company.

### OBJECTS OF THE ISSUE

This Offer comprises the Fresh Issue of up to 72,00,000 Equity Shares, aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of up to 6,92,429 Equity Shares by the Selling Shareholders.

Our Company will not receive any proceeds received from the Offer for Sale by the Selling Shareholders. However, except for the listing fees which shall be solely borne by our Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale.

Our Company intends to utilize the Net Proceeds for the following objects (“*Objects of the Offer*”):

(₹ in Lakhs)

Particulars	Estimated Amount
To meet future capital requirements towards onward lending	Up to 1440.00
General corporate purposes <sup>#</sup>	[●]
<b>Net Proceeds<sup>#</sup></b>	<b>[●]</b>

<sup>#</sup>To be finalized upon determination of Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

## PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PUBLIC

Particulars	Pre-Issue	
	Number of Equity Shares <sup>#</sup>	Percentage (%) holding
Dr. Aqueel Ahmed Khan	1,02,49,200	55.58%
Prabhakar Rawat	23,96,600	13.00%
ASK Training & Learning Private Limited	8,85,250	4.80%
<b>Total (A)</b>	<b>1,35,31,050</b>	<b>73.38%</b>
Bindiya Rawat	5,00,000	2.71%
Anjum Ara	292,500	1.59%
<b>Total (B)</b>	<b>7,92,500</b>	<b>4.30%</b>
Prakash Layak*	3,50,000	1.90%
Manas Bhattacharya	2,80,000	1.52%
Mohd. Saleem Siddiqui	70,000	0.38%
Asha Rai	50,000	0.27%
Sarojini Kongadi	50,000	0.27%
Mukti Kerketta	50,000	0.27%
Farah Siddiqui*	30,90,659	16.76%
Sumit Mittal	1,76,740	0.96%
<b>Total (C)</b>	<b>41,17,399</b>	<b>22.33%</b>
<b>Total (A+B+C)</b>	<b>1,84,40,949</b>	<b>100.00%</b>

\* Selling shareholder

<sup>#</sup> The above workings are assuming conversion of all outstanding CCPS. For details of the CCPS, see “*Capital Structure*” on page 79.

## SUMMARY OF FINANCIAL INFORMATION

Particulars	For the Financial Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Share Capital (₹. in Lakhs)	1,844.09	1,844.09	1,761.23
Net-worth (₹. in Lakhs) <sup>(1)</sup>	3,812.25	3,282.87	2,670.02
Revenue from operations (₹. in Lakhs) <sup>(2)</sup>	5,348.27	4,151.76	3,145.07
Profit after Tax (₹. in Lakhs)	550.09	412.65	11.79
Earnings per share (Basic) (₹.) <sup>(3)</sup>	21.35	16.01	0.52
Earnings per share (Diluted) (₹.) <sup>(3)</sup>	2.98	2.29	0.07
Net Asset Value per Equity Share (₹.) <sup>(4)</sup>	20.67	18.20	15.12
Total borrowings (₹. in Lakhs) <sup>(5)</sup>	18,099.99	15,798.11	12,071.95

Notes:

(1) Net Worth amounts are calculated as the sum of equity share capital and reserve and surplus

(2) Revenue from Operations means the revenue from operations as appearing in the Restated Financial Statements

(3) Earnings per Equity Share (Basic and Diluted) = Restated profit for the /year attributable to the equity holders of the Company/weighted average number of Equity shares outstanding during the Year. The number of Equity Shares outstanding during the year is adjusted for bonus issue.

(4) Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements/ weighted average number of Equity Shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

(5) Total borrowings are computed as current borrowings plus non-current borrowings

For further details in relation to the Restated Financial Statements, see ‘**Restated Financial Statements** on page 203 of this Draft Red Herring Prospectus.

## QUALIFICATIONS OF AUDITORS

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

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

Nature of Cases	Number of Cases	Total Amount Involved (₹ in Lakhs)
<b>Proceedings against our Company</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Tax	Nil	Nil
<b>Proceedings by our Company</b>		
Criminal	21	61.66
Civil	Nil	Nil
<b>Proceedings against our Director (other than Promoter)</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Tax	2	2.47
<b>Proceedings by our Director (other than Promoter)</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
<b>Proceedings against our Promoter</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Tax	2	1.56
<b>Proceedings by our Promoter</b>		
Criminal	Nil	Nil
Civil	Nil	Nil

For further details, please refer chapter titled “**Outstanding Litigations & Material Developments**” beginning on page 266 of this Draft Red Herring Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer chapter titled “**Risk Factors**” on page 31 of this Draft Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

(₹. in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Dividend on Compulsory Convertible Preference Shares	68.46	68.46	68.46
<b>Total</b>	<b>68.46</b>	<b>68.46</b>	<b>68.46</b>

For further details of our contingent liabilities, please refer chapter titled “**Restated Financial Statements - Annexure 30**” beginning on page 203 of this Draft Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related parties transaction of the Company for financial years ended as on March 31 of 2024, 2023 and 2022:

(₹. in Lakhs)

Name	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
<b>Unsecured loan taken (Subordinate Debt):</b>			
Anjum Ara	50.00	-	50.00
<b>Interest paid on unsecured loans:</b>			
Anjum Ara	8.04	7.50	6.00
<b>Interest paid on secured loans:</b>			
Ask Training and Learning Pvt Ltd	-	-	6.43
<b>Unsecured loan repaid:</b>			
Anjum Ara	-	-	50.00
<b>Secured loan repaid:</b>			
Ask Training and Learning Pvt Ltd	-	-	91.67
<b>Remuneration paid:</b>			
Dr. Aqueel Ahmed Khan	75.00	50.82	36.22
Prabhakar Rawat	61.48	42.40	30.22
Sumit Mittal	59.96	33.99	24.22
Ritika Agarwal	1.44	6.20	5.02
Ayesha Khan	0.73	9.34	6.89
Shalu Gupta	1.59	-	-
<b>Rent paid:</b>			
Association for Stimulating Know How	6.55	6.00	6.00
<b>Fees and Commission income:</b>			
Association for Stimulating Know How	65.00	70.00	128.74
<b>CSR Spent</b>			
Association for Stimulating Know How	4.37	-	-
<b>Equity Shares Issued (including premium):</b>			
Ask Training and Learning Pvt Ltd	-	-	156.00
<b>0.01 % CCCNPS Issued (including premium):</b>			
Ask Training and Learning Pvt Ltd	-	200.65	-

### Outstanding amount pertaining to related parties at the balance sheet date:

Name	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Anjum Ara- Loan payable (Subordinate Debt)	100.00	50.00	50.00

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

### WEIGHTED AVERAGE PRICE AT WHICH THE SPECIFIED SECURITIES WERE ACQUIRED BY OUR PROMOTERS AND SELLING SHAREHOLDERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

The weighted average price at which the equity shares were acquired by our Promoters and Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus.

Name	Number of equity shares acquired in the one year preceding the date of this Draft Red Herring Prospectus *	Weighted Average Cost of Acquisition per Equity Share (in ₹) #
<b>Promoters:</b>		
Dr. Aqueel Ahmed Khan	Nil	NA
Prabhakar Rawat	Nil	NA

Name	Number of equity shares acquired in the one year preceding the date of this Draft Red Herring Prospectus *	Weighted Average Cost of Acquisition per Equity Share (in ₹) #
ASK Training and Learning Pvt Ltd	Nil	NA
<b>Selling Shareholders:</b>		
Farah Siddiqui	Nil	NA
Prakash Layak	Nil	NA

#Weighted average price has been arrived at by considering only the cost of shares allotted to the Promoters on account of further issue, bonus issue and transfers, i.e., cost paid by the Promoters for acquisition by way of subscription, bonus issue and acquisition from other shareholder(s) divided by the total number of equity shares acquired by the above transactions.

\*While calculating the weighted average price of the shares in the hands of the individual, the cost of shares was considered as the price paid to the transferor against such acquisition of shares. The selling price of the shares transferred by the respective Promoters to others is not netted off while calculating the average cost of acquisition

\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024

The weighted average price at which the CCPS were acquired by our Promoters and the Selling Shareholders, in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	Number of CCPS acquired in the one year preceding the date of this Draft Red Herring Prospectus*	Weighted Average Cost of Acquisition per CCPS (in ₹) #
<b>Promoters:</b>		
Dr. Aqueel Ahmed Khan	Nil	NA
Prabhakar Rawat	Nil	NA
ASK Training and Learning Pvt Ltd	Nil	NA
<b>Selling Shareholders:</b>		
Farah Siddiqui	Nil	NA
Prakash Layak	Nil	NA

#Weighted average price has been arrived at by considering only the cost of shares allotted to the Promoters on account of further issue, bonus issue and transfers, i.e., cost paid by the Promoters for acquisition by way of subscription, bonus issue and acquisition from other shareholder(s) divided by the total number of equity shares acquired by the above transactions.

\*While calculating the weighted average price of the shares in the hands of the individual, the cost of shares was considered as the price paid to the transferor against such acquisition of shares. The selling price of the shares transferred by the respective Promoters to others is not netted off while calculating the average cost of acquisition

\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024

## AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters and Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name	Number of Equity Shares held*	Average Cost of Acquisition per Equity Share (in ₹) #
<b>Promoters:</b>		
Dr. Aqueel Ahmed Khan	1,02,49,200	6.63
Prabhakar Rawat	23,96,600	1.22
ASK Training and Learning Pvt Ltd	8,85,250	40.29
<b>Selling Shareholders:</b>		
Farah Siddiqui	30,90,659	22.65
Prakash Layak	3,50,000	Nil

#Weighted average price has been arrived at by considering only the cost of shares allotted to the Promoters on account of further issue, bonus issue and transfers, i.e., cost paid by the Promoters for acquisition by way of subscription, bonus issue and acquisition from other shareholder(s) divided by the total number of equity shares acquired by the above transactions.

\*While calculating the weighted average price of the shares in the hands of the individual, the cost of shares was considered as the price paid to the transferor against such acquisition of shares.



# The above workings are assuming conversion of all outstanding CCPS. For details of the CCPS, see "Capital Structure" on page 79.

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

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

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price (in ₹)^
Last one year	Nil	1	NA
Last eighteen months	Nil	1	NA
Last three years	39	1	Nil-39

\* To be updated upon finalization of the Price Band.

^ As certified by R Gopal & Associates, Chartered Accountant by way of their certificate dated September 03, 2024.

**Note:**

1. CCPS has not been included in calculation of weighted average cost of acquisition for last 1 year, 18 months and 3 years.
2. Weighted average cost of acquisition has been computed based on the equity shares acquired/allotted/purchased.

**Details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoters, members of the Promoter Group, the Selling Shareholders and the Shareholders with rights to nominate one or more directors on the Board or other rights**

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

**A. Equity Shares**

Name of the shareholder	Date of Acquisition of Equity Shares	Number of Equity Shares acquired	Face value per Equity Shares	Acquisition price per Equity Share (in ₹)*
<b>Promoter</b>				
ASK Training & Learning Private Limited	December 21, 2021	4,00,000	10	39

**B. Compulsorily Convertible Preference Shares**

Name of the shareholder	Date of Acquisition of CCPS	Number of CCPS acquired	Face value per CCPS	Acquisition price CCPS (in ₹)*
<b>Promoter</b>				
ASK Training & Learning Private Limited	January 25, 2023	4,85,250	10	41.35
<b>Selling Shareholders</b>				
Farah Siddiqui	July 12, 2022	3,43,407	10	Nil**

\* As certified by R Gopal & Associates, Chartered Accountant by way of their certificate dated September 03, 2024

\*\*Acquired by the way of bonus issue

**DETAILS OF PRE-ISSUE PLACEMENT**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

**ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR**

Our Company has not issued Equity Shares for consideration other than cash or out of revaluation of reserves in the last one year.

**SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

**EXEMPTION FROM PROVISIONS OF SECURITIES LAW**

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

## SECTION - II - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any or a combination 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 investors may lose all or part of their investment. To obtain a complete understanding of our Company, prospective investors should read this chapter in conjunction with “Industry Overview”, “Business Overview”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 131, 140, 203, and 241, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.*

*In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisers about the consequences of an investment in our Equity Shares.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains 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 Draft Red Herring Prospectus. For details, please refer to chapter titled “Forward-Looking Statements” on page 20 of Draft Red Herring Prospectus*

*Unless otherwise stated, or the context otherwise requires, the financial information as of and for the Fiscal 2024, 2023 and 2022 used in this chapter is derived from our Restated Financial Statement. 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.*

### **Internal Risk Factors**

- 1. Microfinance borrowers in India generally do not have access to other forms of organized lending and ₹ 17,573.81 Lakhs representing 100% of our gross loan portfolio are unsecured as of March 31, 2024. As a result, we may experience increased levels of NPA (which as of March 31, 2024 is at 1.21%) and related provisions and write-offs that may adversely affect our business, financial condition and results of operations***

Our primary microfinance customers segment is rural women borrowers having an annual household income of up to ₹3,00,000. Our customers generally have limited sources of income, savings and credit histories. There is also typically limited or no financial information available about our customer segment and some of our customers do not have any credit history supported by tax returns, proper proof of income, bank or credit card statements, statements of previous loan exposures, or other related documents. Hence, it is difficult to consistently carry out credit risk analysis on our customers. As a result, such customers may pose a higher risk of default as compared to customers with greater financial resources and established credit histories, as well as customers living in urban areas with better access to education, employment opportunities and social services. We provide unsecured loans to customers in a high-risk category and rely primarily on non-traditional guarantee mechanisms rather than collateral. Our unsecured loans generally involve a joint liability mechanism whereby customers form an informal joint liability group (“JLG”) (generally comprising between 5 to 25 members) and provide joint and several guarantees for loans obtained by each member of the group. We cannot assure you that such joint liability arrangements will ensure repayment by the other members of the JLG in the event of default by any one of them. Further, while we have our own due diligence and credit analysis procedures, we cannot assure you that we will be able to ensure low delinquency rates. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products.

Furthermore, given that we have unsecured loans amounting to ₹ 17,573.81 Lakhs and these unsecured loans represented 100% of our gross loan portfolio as of March 31, 2024. These unsecured loans are disbursed under JLG and provide joint and several guarantees to us for loans obtained by each member of the group. These arrangements are likely to fail if there is no meaningful personal relationship or bond among members of the borrowers’ group; if members do not participate regularly in group meetings; if inadequate risk management

procedures have been employed for verifying the group members and their ability to repay their loans; or as a result of adverse external factors, such as natural calamities or forced migration.

Furthermore, there is also an increased risk arising out of granting loans to first time small borrowers given their inexperience of making repayment of interests and principal. As a result, our customers may present a higher risk of credit default as compared to that of borrowers from other demographics of the population and/or in other asset-backed financing products. Such higher credit risk may further lead to an increase in our gross NPAs levels ratio which are 1.21%, 1.07% and 3.56% as of Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively, and which could adversely affect our business, financial condition, results of operations and cash flows.

2. ***Our credit monitoring and risk management policies and provisions may not be adequate to control our Non-Performing Assets which could adversely affect our financial conditions and results of operations.***

Our credit monitoring and risk management policies may not be properly designed or appropriately implemented. In addition, we may not be able to anticipate future macro-economic developments, which could lead to an increase in our NPAs. There are several factors outside of our control which affect our ability to manage NPAs. These factors include developments in the Indian and global economy, domestic and global macro-economic and political factors, changes in customer behaviors, their loan repayment capabilities and demographic patterns, government decisions, natural calamities, widespread diseases, changes in interest rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI, or the Government of India. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. If our NPAs increase or provisioning levels deteriorate, it could have an adverse effect on our financial condition and results of operations.

Pursuant to applicable RBI guidelines and our accounting policies, we make and are required to make contingent provisions against standard assets and NPAs, which are recognized in our Restated statement of profit and loss. Please refer to chapter titled “***Restated Financial Statement***” on page 203. In addition to requiring us to make provisions on loan assets, the RBI requires us to classify and make additional provisions for NPAs. If the number of our loans that become NPAs increases, the credit quality of our loan portfolio will decrease and our provisioning requirement will increase. For details, please refer to chapter titled “***Key Industry Regulations and Policies***” on page 167. The RBI also published clarifications pursuant to circulars dated November 12, 2021 and February 15, 2022 in relation to prudential norms on income recognition, asset classification and provisioning pertaining to advances, under which there are clarifications and changes in relation to certain items, including (a) income recognition policy for loans with a moratorium on interest payments; (b) the re-designation of NPA accounts as standard only when the entire arrears of interest and principal are paid by the customer pertaining to all the credit facilities availed from a financial institution, instead of partial repayment (of principal or interest overdue, as the case may be); (c) NPA classification in the case of interest payments; and (d) timeline-related clarifications for classification of accounts as “special mention accounts” and NPAs. The RBI has also issued a Scale Based Regulation with effect from October 19, 2023, pursuant to which a minimum requirement to maintain net owned funds must be achieved in accordance with the prescribed timelines. For details, please refer to chapter titled “***Key Industry Regulations and Policies***” and “***Business Overview – Compliance with the NBFC-SBR Master Directions***” on pages 167 and 140. These RBI-mandated requirements may result in higher NPA rates and provisioning requirements than those for similar companies in other countries. We have been in the past, and remain to be, compliant with such RBI requirements relating to contingent provisions against standard assets and NPAs.

In addition to the regulatory requirements, we also consider internal estimates for loan losses and risks inherent in our loan portfolio when deciding on the appropriate level of provisioning. The determination of an appropriate level of loan losses and provisions is subjective and requires that we estimate current credit risks. Any incorrect estimate of risks may result in our provisions not being adequate to cover current NPAs or a further deterioration in our NPA portfolio.

Furthermore, our current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of our total loan portfolio. As a result, if the quality of our total loan portfolio deteriorates for any reason, we may be required to increase the loan loss reserves, which will adversely affect our financial condition and results of operations. Moreover, there is no precise method for predicting loan and credit losses, and we cannot assure that our credit monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If we are unable to control or reduce the level of NPAs or poor credit quality loans, our financial condition and results of our operations could be materially and adversely affected.

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loan portfolio (₹ Lakhs)	17,573.81	17,171.93	13,363.37
Pre-provision operating profit (₹ Lakhs)	919.96	659.74	382.48
Gross NPA ratio (%)	1.21%	1.07%	3.56%
Net NPA ratio (%)	0.18%	0.00%	0.36%
Provision coverage ratio (%)	84.94%	100.00%	89.77%

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

3. ***If we are unable to manage our growth effectively, our business and reputation could be adversely affected. Furthermore, we may not be able to sustain the growth rates we have had in the past.***

Our business has experienced growth over the past few years. Our growth details are set forth as follows:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Average disbursements per branch (₹ in Lakhs)	215.54	284.70	247.35
Number of branches	71	56	49
New customers (in Lakhs)	0.28	0.31	0.24
Active Customers (in Lakhs)	0.76	0.68	0.62
Overall digital collections (%)	12.72%	9.41%	2.39%
Revenue from operations (₹ in Lakhs)	5,348.27	4,151.76	3,145.07
Profit after Tax (₹ in Lakhs)	550.09	412.65	11.79

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

As part of our growth strategy, we aim to expand our geographical footprint and sourcing platform across India, which may further constrain our capital and human resources, and make asset quality management increasingly difficult. For further details, please refer chapter titled, “**Business Overview – Our Strategies – Continue to grow our loan portfolio by expanding our geographical footprint and diversifying product offerings**” on page on page 146. As we move to newer geographies, we may not be able to maintain the level of our NPAs or the quality of our portfolio. We will need to continue to enhance and upgrade our financial, accounting, information technology, administrative, risk management and operational infrastructure and internal capabilities to manage the future growth of our business effectively. Furthermore, we may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth. We may not be able to implement necessary improvements in a timely manner, or at all, and we may encounter deficiencies in existing systems and controls. If we are unable to manage our future expansion successfully, our ability to provide products and services to our customers would be adversely affected, and, as a result, our business and reputation could be adversely affected.

4. ***Our gross loan portfolio is derived from loans originating from various state, and any adverse developments in this region may have an adverse effect on our business, results of operations, financial condition and cash flows.***

We have a significant portion of our gross loan portfolio, where the majority of our branches are located. For a breakdown of our branches and gross loan portfolio by the Indian states we operate in, please refer to chapter titled “**Business Overview**” on page 214 of the Draft Red Herring Prospectus. A region wise details of loan portfolio are as below;

(₹ in Lakhs except otherwise stated)

Region	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Gross loan Portfolio	% of total	Gross loan Portfolio	% of total	Gross loan Portfolio	% of total
North (Uttar Pradesh and Haryana)	5,824.46	33.14%	6,679.38	38.90%	4,909.76	36.74%
East (Bihar)	6,019.43	34.25%	5,307.47	30.91%	3,230.02	24.17%
West (Rajasthan and Madhya)	5,729.92	32.60%	5,185.08	30.20%	5,223.59	39.09%

Pradesh)						
<b>Total</b>	<b>17,573.81</b>	<b>100.00%</b>	<b>17,171.93</b>	<b>100.00%</b>	<b>13,363.37</b>	<b>100.00%</b>

*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024*

In the event of an economic slowdown, or any other negative developments, including political unrest or other events, we may experience an adverse effect on our business, financial condition and results of operations, due to, among others, the stress such events cause on the borrowers' ability to honor their loan obligations.

India has also experienced natural calamities, such as floods, cyclones, earthquakes, tsunamis and droughts in the past. For instance, the outbreak of the COVID-19 pandemic in 2020 that continued for almost two years caused disruptions in our operations and led to an increase in our level of write-offs, thereby adversely affecting our business.

**5. *Negative publicity and public perception of the interest rates and terms of our microfinance loans may adversely affect our reputation and the growth and market acceptance of our products and services.***

Reputation risk is the risk of the loss arising from the adverse perception of the image of our Company by our customers. We have not experienced any negative publicity in the last three Financial Years. Further, the reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or us specifically could adversely affect our ability to keep and attract customers and expose us to litigation and regulatory action.

Negative publicity can result actual or alleged conduct in any number of activities, including lending practices and specific credit exposures, the level of non-performing loans, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government, regulators, investigative agencies, judiciary and community organizations in response to that conduct.

In particular, as we provide loans to women in low-income groups primarily in rural areas, our operating expenses, particularly, finance, employee, and travel costs are relatively high. This, along with our cost of financing, may result in higher interest rates being charge to our customers, in comparison to those charged by banks. This, as well as the terms of our loans, continue to be the subject of careful evaluation, analysis and often, criticism. The public perception of our business and business model, including, among others, by social and political commentators, could harm our reputation. Furthermore, rural customers may experience difficulties meeting our repayment schedules due to failure of crop harvests or other factors, resulting in significant publicity and media coverage. A public perception that we do not provide satisfactory services to customers, even if factually incorrect or based on isolated incident or based on the aggregate effect of individually insignificant incidents, could damage our reputation, undermine the trust and credibility we have established and have a negative impact on our ability to attract new customers. As a result, we cannot assure you we will not face any material adverse publicity in the future, which may adversely affect our growth and the market acceptance of our products and services.

**6. *For the Fiscal 2024, 87.28% of our collections from customers is in cash, exposing us to operational risks. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our business.***

A significant portion of our collections from customers is in cash. The table below sets forth our details relating to our collections in cash for the periods indicated:

*(₹ in Lakhs except otherwise stated)*

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount of cash collected	% of total collection	Amount of cash collected	% of total collection	Amount of cash collected	% of total collection
Cash Collection	22,604.17	87.28%	21,103.28	90.59%	18,253.42	97.61%

*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024*

Large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. We have experienced certain instances of misappropriation or unauthorized transactions by certain employees over the last three Financial Years including cash embezzlements as set forth in the table below:



(₹ in Lakhs except otherwise stated)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Cash embezzled	% of recovery	Cash embezzled	% of recovery	Cash embezzled	% of recovery
Cash embezzlements	6.79	35.16%	14.99	1.15%	1.49	0.00%
<b>Total</b>	<b>6.79</b>	<b>35.16%</b>	<b>14.99</b>	<b>1.15%</b>	<b>1.49</b>	<b>0.00%</b>

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

We cannot assure you that the insurance obtained by us adequately covers all risks involved or will be paid in relation to the entire amount involved, or at all.

We are also involved in certain criminal proceedings related to criminal breach of trust, cheating, misappropriation of funds against our representatives and employees, which could adversely affect our reputation and profitability. For further information, please refer to chapter titled “**Outstanding Litigation and Material Developments**” on page 266. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. Our customers are primarily from rural markets, which carry additional risks due to limitations on infrastructure and technology. In addition, given the volume of transactions involving cash processed by us on a regular basis, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered and successfully rectified despite our internal audit and controls systems. Our dependence upon automated systems to record and process transaction may further increase the risk that technical system flaws or employee tampering or manipulation of such systems will result in losses that are difficult to detect or rectify.

**7. Any failure or material weakness of our internal control systems could cause significant operational errors, which would adversely affect our reputation and profitability.**

We are responsible for establishing and maintaining adequate internal measures and controls commensurate with the size and the complexity of our operations. Our internal or concurrent audit functions are equipped to make an independent evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business personnel adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal control systems as necessary, 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 guarantee effective internal controls in all circumstances. Although we have not faced any material instances of failure of internal processes and systems in the past (including in Fiscals 2021 to 2024), we cannot assure you that we will not face any such failures in the future.

Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information (“MIS”) systems and internal control 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 control weaknesses are identified, our actions may not be prompt or sufficient to fully correct such internal control weaknesses. We cannot assure you that no penalties will be imposed by the regulatory authorities in the future owing to any inadequacies in our systems.

We face operational risks in our business and there may be losses due to deficiencies in the credit sanction process, inaccurate financial reporting and fraud and failure of critical systems and processes. We have in the past encountered fraud and/or misappropriation which amounted to the following:

Particulars	For the Financial Year 2024	For the Financial Year 2023	For the Financial Year 2022
Fraud and misappropriation (in ₹ Lakhs)*	6.79	14.99	1.49
Fraud and misappropriation (% to total cash collections for the period)*	0.03%	0.07%	0.01%

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

In addition, we carry out certain processes manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer losses. Such instances may also adversely affect our reputation and profitability.

8. ***We face various risks associated with our large number of branches and widespread network of operations, which may adversely affect our business, financial condition and results of operations.***

We had 0.76 Lakhs Active Customers, who are served by our 71 branches across 34 districts in 5 states in India, as of March 31, 2024. Further, we also serve around 0.24 Lakhs customers under our managed portfolio. Our operations have historically been concentrated in the state of Bihar. As a consequence of our large number of branches and widespread network, we are exposed to certain risks, including, among others:

- difficulties in upgrading, expanding and securing our technology platform;
- difficulties in maintaining high levels of customer satisfaction;
- difficulties arising from coordinating and consolidating corporate and administrative functions;
- delay in the transfer of data among various locations;
- failure to efficiently and optimally allocate management, technology and other resources across our branch network;
- difficulties in the integration of new branches with our existing branch network;
- difficulties in supervising local operations from our centralized locations;
- difficulties in hiring and training skilled personnel in sufficient numbers to operate the new branches locally;
- unforeseen legal, regulatory, property, local taxation, labour or other issues; and
- risk of fraud, petty theft, embezzlement or other misconduct by employees or outsiders, exacerbated by the high level of delegation of power and responsibilities that our business model requires.

For details, please see **“Risk Factors - For the Fiscal period, 2024, 87.28% of our collections from customers is in cash, exposing us to operational risks. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our business”** on page 35 of this Draft Red Herring Prospectus. Also, please refer to **“Risk Factors - Any failure or material weakness of our internal control systems could cause significant operational errors, which would adversely affect our reputation and profitability.”** on page 35 of this Draft Red Herring Prospectus.

Any of the above reasons may result in our failure to manage our business operations in an effective manner, which may adversely affect our brand, reputation, business, financial condition and results of operations

9. ***We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.***

Certain of our Company’s corporate records are not traceable as the relevant information was not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs (“MCA Portal”) or in the physical records available at the RoC. This was despite conducting internal searches and engaging an independent practicing company secretary to conduct a physical search of our records at the RoC and prepare a report on such search (the “RoC Search Report”). These include, inter alia documents and their particulars set out in the table below.

Sr No.	Type of documents	Date of corporate action	Particulars of the missing documents
1.	Form 2 along with the list of allottees and challan	July 20, 1988	Form 2 for the allotment of 2833 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan.
		December 28, 1991	Form 2 for the allotment of 2000 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan

		March 31, 1993	Form 2 for the allotment of 2757 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
		September 29, 1995	Form 2 for the allotment of 2000 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
		September 29, 1995	Form 2 for the allotment of 20,000 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
		March 01, 1998	Form 2 for the allotment of 3 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
		April 01, 1998	Form 2 for the allotment of 920 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
		March 01, 1999	Form 2 for the allotment of 5000 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
		March 31, 1999	Form 2 for the allotment of 9759 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
		December 31, 1999	Form 2 for the allotment of 3200 equity shares of face value of ₹100 each pursuant to further allotment, along with the complete list of allottees and the challan
2.	Form 20 B (Schedule V), Form 23AC	Not Available	Annual Report for the Financial Year 1985-86, Financial Year 1986-87, Financial Year 1987-88 and Financial Year 1988-89, Financial Year 1990-91, Financial Year 1992-93, Financial Year 1999-00, Financial Year 2000-01, Financial Year 2001-02, Financial Year 2002-03,
	Form 5	Not Available	Increase of Authorized Share Capital from ₹ 10,00,000 consisting of 10,000 Equity Shares of face value of ₹ 100 each to ₹ 50,00,000 consisting of 50,000 Equity Shares of ₹ 100 each
	Form 5	February 03, 2011	Sub division of 1,00,000 Equity Shares of face value ₹ 100 each into 10,00,000 Equity Shares of face value ₹ Rs 10 each
	Form 18	Not Available	Change of registered office from 2525-B, Loni Road, Shahdara New Delhi, Delhi India 110032 to B-10 West Jyoti Nagar, Shahdra NCT of Delhi -110094 Change of registered office from B-10 West Jyoti Nagar, Shahdra NCT of Delhi -110094 to 2525-B, Loni Road, Shahdara New Delhi, Delhi India 110032

In addition, with respect to the untraceable corporate records in connection with the allotment made by our Company and secretarial records, an affidavit dated September 03, 2024 has been furnished on behalf of our Company specifying the details to whom the equity shares were allotted. In the affidavit, our Company have confirmed the allotment of equity shares to the respective allottees. Further, certain documents pertaining to renunciation of rights are not traceable, transfers made by our erstwhile promoters/shareholders are not available with our Company. Additionally, we have been unable to trace the complete set of secretarial records, corporate resolutions and filings with the RoC. Certain information in relation to these allotments and changes in relation to the registered office address, increasing in authorized capital including increase in paid up capital, and others has been disclosed in the chapter titled “*Capital Structure*” and “*History and Certain Corporate Matters*” beginning on pages 84 and 178, respectively, based on the information derived from board and shareholder resolutions, annual return and the audited financial statements of our Company, and also based on the details provided in the search report dated August 06, 2024 prepared by SNK & Associates, independent practicing company secretary. Further the Company has also obtained certificate from by R Gopal & Associates., Chartered Accountants detailing the capital build-up of the Company. Further the documents as detailed in the table herein above is also not available with the office of the RoC, as certified by SNK & Associates, Company Secretaries, independent practicing company secretary in their RoC Search Reports dated August 06, 2024. We may not be able to furnish any further information other than as

already disclosed in “**Capital Structure**” and “**History and Certain Corporate Matters**” beginning on pages 84 and 178, respectively, or confirm that the records mentioned above will be available in the future.

Accordingly, reliance has been placed on the allotment letters, application forms, annual reports, annual returns, register of members and minutes of the meeting of the board and shareholders, wherever available, for the details of certain allotments, transfers and transmission. For details of such allotments and transfers, see “**Capital Structure**” beginning on page 84 of this Draft Red Herring Prospectus. We also cannot assure you that we will not be subject to any adverse action by any authority in relation to such untraceable records.

Additionally, in relation to the build-up of the equity shareholding, including any transfer by the erstwhile promoters/shareholder, we are unable to trace certain share transfer forms or certain documents are inconsistent. Accordingly, we have relied on other available corporate records, including resolutions, annual returns, ledger accounts, affidavits and bank account statements to the extent available. For details of such transfers, please refer to chapter titled “**Capital Structure**” beginning on page 84 of this Draft Red Herring Prospectus.

There have been certain delays and discrepancies in relation to the RoC filings made under the Companies Act, 1956 and the Companies Act, 2013. For instance, our Company has delayed in filing PAS 3 for the preferential allotment made in March 25, 2014, Audit report not attached in the Form AOC-4 for the FY2023 and others. Further, our Company has utilized issue proceed before filing of PAS 3 forms on the MCA portal with respect to allotment made in September 24, 2019 and December 21, 2021. Furthermore, our Company was required to appoint company secretary in accordance with section 203 of the Company Act, 2013 rule with Rule 8A of the Appointment and Remuneration of Managerial Personnel) Rules, 2014 upon increased in paid capital in excess of ₹5 crore during Fiscal 2016. However, our Company appointed the company secretary on April 28, 2018. Further, our Company has not obtained secretarial audit report for the Fiscal 2022. Furthermore, our Company has allotted the Equity Shares at a price of ₹ 39 per Equity shares against valuation report of ₹ 39.03 per Equity Shares.

Our Company has approved the allotment of 30,00,000 Preference Shares on Rights basis vide Board meeting dated August 01, 2016 however the Company has not taken the matter to shareholders for their approval in general meeting as prescribed under Rule 9 of the Companies (Share Capital and Debenture) Rules, 2014 and consequently not filed form MGT 14 along with other attachments.

We have also not been able to locate certain documents including stamped share transfer forms, depository instructions slip, resolutions, form filings, payment challans, register of transfers, relating to certain transfers of Equity Shares. Further, pursuant to dissolution of ASK-ATG Employee Reward Trust dated April 29, 2019, the trust transferred the CCPS held by the said Trust to its beneficiaries without paying necessary stamp duty.

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as mentioned above, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against us in the future.

**10. *We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law which exposes us to certain operational risk.***

We enter into arrangements with third-party vendors and independent contractors to provide services that include, among others, service providers, provision of insurance products from insurance partners for our customers, telecommunications infrastructure services and software services including for loan origination, loan management and KYC verification solutions. We also enter into arrangements with credit bureaus for availing credit assessment and other services. However, we cannot guarantee that in the future there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. Pursuant to the RBI Directions on Managing Risks and RBI Master Directions, 2023, NBFCs have been mandated to put in place necessary safeguards and corporate governance measures for activities outsourced by them. For further details, please refer to chapter titled “**Key Industry Regulations and Policies**” on page 167.

**11. *We do not own all the real estate properties on which our business operates, which exposes us to certain operational risks.***

We do not own the premises on which our Registered Office, Corporate Office and all of our branches are situated as of March 31, 2024, our Registered Office, our Corporate Office and all our branches are utilized by us on lease and leave license basis. Some of our lease agreements have expired and are expected to be renewed. Failure to renew

lease or license agreements for these premises on terms and conditions acceptable to us or at all, may require us to move the concerned branch offices to new premises. We may incur substantial rent escalation in terms of the leave and license agreements, as applicable, and additional relocation costs due to installation of new infrastructure as a result of such relocation. We may also face the risk of being evicted if our landlords allege a breach on our part of the terms of the lease agreements. We have not faced any such instances of eviction by our landlords in the past.

Furthermore, if we fail to duly register and adequately stamp our lease agreements, such lease agreements will not be admitted as evidence in an Indian court or may be subject to penalties for such admission, which in turn may affect our business activities and operations. In addition, if any dispute arises in relation to our use of the relevant space-sharing or leased properties in the future, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties. For information in relation to our premises, please refer to chapter titled “**Business Overview – Immovable Properties**” on page 140.

**12. Our business is subject to interest rate risk, and volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations.**

We are subject to interest rate risk, principally because we lend to our customers at fixed interest rates and/or periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. Our results of operations depend to a large extent on the amount of our net interest income as our primary revenue source is interest income. The table below sets forth the breakdown of our interest income as a percentage of our total revenue:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in Lakhs	% of total revenue	₹ in Lakhs	% of total revenue	₹ in Lakhs	% of total revenue
Interest Income	4049.54	74.66%	2765.76	65.40%	1874.65	58.82%

Net interest income is the difference between our revenue from operations and our finance costs. The difference between the interest rates that we charge on interest-earning assets (e.g., our microfinance loans) and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities have a significant effect on our results of operations. Interest rates are highly sensitive, and any fluctuations thereof are dependent upon many factors which are beyond our control, including RBI monetary policy, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors.

Changes in interest rates could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. Furthermore, increases in interest rates may affect our ability to raise low-cost funds. Under RBI regulations, the interest rates charged by us are governed by our Board-approved policy on pricing of credit. As of March 31, 2024, the annual effective interest of our income-generating loans was 26.50% based on loans disbursed during the period ended March 31, 2024, and the average yield on our income generating loans was 24.83% based on interest earned during the year against monthly outstanding portfolio. There is no assurance that we will be able to effectively pass through interest rate increases to our customers in the future. Any further increases in interest rates in the future could adversely impact our business, financial condition and results of operations. Furthermore, any future regulations that restricts the amount of yield that our Board-approved policy determine may also impact our net income margin. In addition, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin, thereby affecting our results of operations. Furthermore, changes in interest rates could also affect our fixed income portfolio.

**13. We have experienced negative cash flows from operating activities.**

We have in the past (including Fiscals 2022 to 2024), and may in the future, experience negative cash flows from operating activities on account of increases in our gross loan portfolio. The following table sets forth our net cash used in/generated from operating activities for the periods indicated:

(₹ in Lakhs)

Particulars	For the Financial Year 2024	For the Financial Year 2023	For the Financial Year 2022
Net cash generated from operating activities after tax	(469.71)	(3,641.64)	(5,039.89)

Net cash flow from investing activities	169.39	(45.52)	156.53
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We had net cash outflow from operating activities of ₹469.71 Lakh, ₹3641.64 Lakh and ₹5039.89 Lakh for the Financial Years 2024, 2023 and 2022, respectively, primarily due to an increase in the loans disbursed as a result of increase in the operational scale and growth of our business. Any negative cash outflows from operating activities over extended periods, or significant cash outflows in the short term from investing and financing activities, could have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, please refer to chapter titled “*Management's Discussion and Analysis of Financial Condition and Results of Operations — Cash Flows*” on page 241.

14. ***We have contingent liabilities which have not been provided for in our Restated Financial Statement, and our financial condition could be adversely affected if these materialize.***

The following is a summary table of our contingent liabilities as of March 31, 2024 as per provisions, contingent liabilities and contingent assets:

Contingent liability in respect of preference shares

(₹ in Lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Dividend on Compulsory Convertible Preference Shares	68.46	68.46	68.46

Contingent liability in respect of business correspondence

(₹ in Lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Portfolio loan outstanding	6187.93	8597.15	10535.21
Performance security corresponding to obligation outstanding	302.99	429.86	526.76
Security deposit given of principal	642.26	556.84	556.84
NPA	406.56	593.77	175.97

For further information, please refer to chapter titled “*Restated Financial Statement*” on page 203. We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize, our financial condition may be adversely affected

15. ***Any downgrade of our credit ratings may constrain our access to equity and debt capital markets and, as a result, may adversely affect our cost of borrowings and our results of operations.***

We have obtained the grading and credit ratings, as provided below:

Grading / Credit Rating	Organization	Date of Rating	Instrument
MFI/C1	SME Rating Agency of India (SMERA)	February 21, 2024	Excellent performance of the MFI on Code of Conduct dimensions
MFI/M2	SME Rating Agency of India (SMERA)	March 30, 2024	High capacity of the MFI to manage its operations in a sustainable manner
IVR/BBB-	Infomerics Valuation and Rating Pvt Ltd	October 05, 2023	Securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such securities carry moderate credit risk

The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. Credit ratings reflect a rating agency’s opinion of our financial strength, operating performance, industry position and ability to meet our obligations. Any issues impacting our business performance or the microfinance industry as a whole may result in a downgrade of our credit ratings, which may constrain our access to capital and debt markets and thus may adversely affect our cost of borrowings and our results of operations.



In past three years our credit rating has been altered or withdrawn/revised due to various reasons including the reason that ‘the Company has repaid its obligations in full. Any adverse change in credit ratings assigned to our Company or our borrowing limits in the future may impact our ability to raise additional funds and/or the interest cost at which we borrow additional funds and this could have an adverse effect on our business and results of operations.

There can be no assurance that we will be able to maintain any of the aforementioned credit ratings in the future. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. For details of our credit ratings, please refer to chapter titled “**Business Overview – Grading and Credit Ratings**” on page 157.

**16. *Certain provisions of the RBI (RFML) Directions impose requirements that restrict our business, results of operations and growth.***

The RBI enacted the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 (the “**RBI (RFML) Directions**”) with effect from April 1, 2022, under which our Company is required to comply with certain additional compliances and conditions, including (i) forming a board approved policy to assess the household income of its borrowers; (ii) forming a board approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income, which is capped at 50% of the monthly household income; (iii) forming a board approved policy regarding pricing of microfinance loans; (iv) forming a board approved policy to provide flexibility of repayment periodicity on microfinance loans as per borrower requirements; (v) adopting a fair practices code for conduct towards borrowers in line with the RBI (RFML) Directions; (vi) putting in place a mechanism for recovery of loans which is borrower friendly; and (vii) ensuring that a minimum of 75% of our total assets are ‘microfinance loans’.

For further details, please refer to chapter titled “**Business Overview– Description of our Business – Compliance with the NBFC-SBR Master Directions**” on pages 154. The laws and regulations governing the banking and financial services industry in India have become increasingly complex, with the regulations relating to MFIs still evolving. The requirement to comply with increasing regulations may continue to adversely affect our business and the microfinance industry in general. These laws and regulations may require us to restructure our activities, and among other limitations, impose limits on interest rates we can charge and as such limit our interest income, and require us to incur additional expenses, which could adversely affect our business, results of operations and growth.

**17. *We are subject to laws and regulations governing the financial services industry in India and changes in laws and regulations governing us could adversely affect our business, results of operations and prospects. Our business, financial condition, cash flows and results of operations may also be adversely affected by certain state regulations.***

As an NBFC-MFI, we are subject to regulation by government authorities, including the RBI. The RBI regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. If we fail to comply with these requirements, we may be subject to penalties and legal proceedings. Any non-compliance with regulatory guidelines and directions may result in substantial penalties, revocation of our licenses and reputational impact. Among other things, if found non-compliant, we could be fined or prohibited from engaging in certain business activities.

The laws, regulations and policies applicable to us may change at any time such that we may be required to restructure our activities and incur additional expenses to comply with applicable laws and regulations. Such changes may also adversely affect our business, to the extent that we are unable to suitably comply with any such changes in applicable law, regulations and policies. Furthermore, many of the regulations applicable to our operations may be subject to varying interpretations. Unfavourable changes in or varying interpretations of existing laws, rules and regulations, could result in us being deemed to be in contravention of such laws, may require us to apply for additional approvals or subject us to penalties and legal proceedings against us.

In addition, while NBFC-MFIs are currently regulated by the RBI, the respective state government of the states where we operate may pass laws either suo moto, or in response to any legal action initiated against the NBFC-MFIs of a state, which impact the business of NBFC-MFIs. We cannot assure you that any such actions taken by the state governments in these states will not adversely impact our business, financial condition and results of operations. Furthermore, certain states, including those in which we have operations, have in the past instituted farm loan waiver schemes as a policy instrument to alleviate the financial distress of farmers. Such large-scale government enforcement of loan write-offs may, in the long run, impair the loan repayment culture in the farm sector as farmers may become willing defaulters in anticipation of the next loan waiver scheme. This disruption in credit discipline may undermine the financial status of financial institutions that loan to the farm sector in such states, including us. In the event that the government of any state in India requires us to comply with the provisions of their respective

state moneylending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business and results of operations may be adversely affected

**18. Any non-compliance with mandatory anti-money laundering and know your customer regulations could expose us to additional liability and harm our business and reputation**

We are mandated to comply with the applicable anti-money laundering (“**AML**”) and know your customer (“**KYC**”) regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures as part of our business operations. For further details, please refer to chapter titled “**Key Industry Regulations and Policies**” on page 167. However, there may be material instances where the information may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities, and we cannot assure you that we will not face any such material instances in the future.

There have not been any instances of violation to any AML or KYC laws or regulations in the past three years. However, we cannot assure you that we will in the future be able to fully control instances of any potential or attempted violations of AML or KYC regulations by any party and we may accordingly be subject to regulatory actions. Our business and reputation could suffer if any such party uses or attempts to use us for money- laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with the applicable regulatory requirements.

**19. As an NBFC-MFI, we are also subject to periodic inspections by the Reserve Bank of India, and any non-compliance with observations made by the Reserve Bank of India during these inspections could expose us to penalties and restrictions.**

The RBI as a part of its supervisory processes, conducts periodic inspections pursuant to which it issues observations, directions and monitorable action plans, on issues related to, amongst other things, our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems. During the course of finalizing inspections, the RBI inspection team shares its findings and recommendations with us and provides us with an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, then that observed by the RBI. The RBI incorporates such findings in its final inspection report and, upon final determination by the RBI of the inspection results, we are required to take actions specified in the inspection report issued by the RBI to its satisfaction, including, without limitation, requiring us to ensure regulatory compliance, make provisions, implement credit rating and scoring models for loans, and tighten controls and compliance measures.

In the event we are unable to resolve such deficiencies and other matters to the RBI’s satisfaction, we may be restricted in our ability to conduct our business as we currently do. In the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty, restriction, or issue of adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

**20. To support and grow our business, we must maintain a minimum capital to risk weighted assets ratio, and lack of access to capital may prevent us from maintaining an adequate ratio.**

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio (“**CRAR**”) consisting of Tier I and Tier II capital of not less than 15% of our aggregate risk weighted assets on-balance sheet and of the risk-adjusted value of off-balance sheet items. Furthermore, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. For further details please refer to chapter titled “**Key Industry Regulations and Policies**” on page 247 of this Draft Red Herring Prospectus. We have been in compliance with such requirements for the periods stated below:

Particulars	Requirements	Financial Year 2024	Financial Year 2023	Financial Year 2022
<b>CRAR</b>	Must be not less than 15.00%	20.41%	17.27%	18.28%
<b>CRAR – Tier I</b>	--	19.21%	17.04%	17.99%
<b>CRAR – Tier II</b>	Cannot exceed 100% of CRAR – Tier I	1.20%	0.21%	0.29%

*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024*

For further details, please refer to chapter titled **“Business Overview – Internal Audit and Internal Controls”** on page 153 of this Draft Red Herring Prospectus.

Our ability to support and grow our business would become limited if our CRAR is low. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital to continue to meet applicable CRAR with respect to our business. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, and this may adversely affect the growth of our business. In addition, any changes in the RBI or other government actions in relation to securitizations or assignments by NBFCs in general or MFIs specifically, including if any assignment is held unenforceable under applicable law, could have an adverse effect on our assignment and securitization plans in the future. This may result in non-compliance with applicable capital requirements, which could have an adverse effect on our business, financial condition and results of operations. If we are unable to meet any existing or new and revised requirements, our business and results of operations may be adversely affected.

21. ***Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel may have interests other than reimbursement of expenses incurred and receipt of remuneration or benefits from our Company. Certain of our Promoters and Director may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us.***

Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and benefits arising therefrom. For further details, please refer to chapter titled **“Our Management - Details of any arrangement or understanding with major shareholders, customers, suppliers or others”** and **“Interest of Directors”** on pages 184 and 186, respectively, of this Draft Red Herring Prospectus. We cannot assure you that our Promoters and Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects.

22. ***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 and debt to equity ratio, as of March 31, 2024, 2023 and 2022 -

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Borrowings <sup>(1)</sup> (₹ in Lakhs)	18,099.99	15,798.11	12,071.95
Total Equity <sup>(2)</sup> (₹ in Lakhs)	3812.25	3282.87	2670.02
Debt to Equity Ratio <sup>(3)</sup>	4.75	4.81	4.52

\*As certified by R Gopal & Associates, Chartered Accountants, by way of certificate dated September 03, 2024.

(1) Total Borrowings includes debt securities, borrowings (other than debt securities) and subordinated liabilities.

(2) Total Equity includes share capital & reserves and surplus.

(3) Debt to Equity Ratio is computed by dividing our total borrowings by total equity.

Our financing agreements and instruments contain certain restrictive covenants that limit our ability to undertake fund raising activities, any of which could adversely affect our business, results of operations, financial condition and cash flows.

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

- make any amendments to our Company’s constitutional documents;
- effect any changes to or alter our Company’s capital structure or shareholding pattern or ownership;
- effect any changes in the management of our Company, including changes in the composition of the Board of Directors and change in the practice with regard to remuneration of directors;
- creation of further charges or any other encumbrance on the security provided for our borrowings;
- change, diversification or expansion of business activities;

For more details, please refer to chapter titled “**Financial Indebtedness**” on page 257 of this Draft Red Herring Prospectus.

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

**23. *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.***

Interest rates are highly sensitive to many factors beyond our control. If there is an increase in the interest rates, we pay on our borrowings that we are unable to pass to our borrowers, we may find it difficult to compete with our competitors, thereby affecting our net interest income.

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. 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 forth details of our average cost of borrowings, floating rate borrowings and net interest margin as at and for the Financial Years 2024, 2023 and 2022:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
(% of total borrowings)			
Average Cost of Borrowings <sup>(1)</sup>	13.61%	12.45%	12.51%
Floating Rate Borrowings	53.32%	46.84%	60.00%
Net Interest Margin <sup>(2)</sup>	11.22%	8.96%	8.06%

\*As certified by R Gopal & Associates, Chartered Accountants, by way of certificate dated September 03, 2024.

(1) Average Cost of Borrowings is finance cost divided by average borrowings.

(2) Net Interest Margin represents the difference between interest income and finance cost for the year to the average interest earning assets for the year.

In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

In a rising interest rate environment, in the event of any sudden or sharp increase in interest rates, our return on investments could become less attractive which could also lead to a decline in the market value of our investments. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, result of operations and financial condition

**24. *Our Promoters will continue to retain shareholding in us after this Offer, which will allow them to exercise significant influence over us. Any substantial change in our Promoters’ shareholding may have an impact on the trading price of our Equity Shares, which could adversely affect our business, financial condition, results of operations and cash flows.***

As at the date of this Draft Red Herring Prospectus, our Promoters collectively hold 1,35,31,050 Equity Shares, or 73.38% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis. Upon completion of the Offer, our Promoters will hold continue to hold a percentage of our Equity Share capital, amounting to [●] % of the Post Equity Share Capital. Our Promoters will therefore be able to continue to exercise significant control or influence over our business and major policy decisions, including over the outcome of matters submitted to our Board or our Shareholders for approval. Such matters may include the composition of our Board of

Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. Our Promoters' concentration of ownership of our Equity Share capital may also delay, defer or even prevent a change in control of our Company, and it may be more difficult or impossible for our Company to enter into certain transactions without the support of our Promoters. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because of any perceived disadvantages of our Promoters owning a high concentration of our shareholding. For details of our Equity Shares held by our Promoters, please refer to chapter titled "**Capital Structure — History of the Share Capital held by our Promoters**" on page 96 of this DRHP. Following our listing, our Promoters and the Selling Shareholders also seek to retain their rights to nominate Directors on our Board, subject to the receipt of the requisite regulatory and corporate authorizations (including special resolution to be passed by our Shareholders in the first general meeting after the listing of the Equity Shares).

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

Our business is subject to seasonality as we generally see higher borrowings and drawdowns by our customers during the third and fourth quarter of each Financial Year due to increased economic activity towards the end of the Financial Year and due to the harvest season in rural areas in India. Further, there is typically an increase in retail economic activity in India during the period from October to March, due to several holiday periods and improved weather conditions, resulting in higher volumes of business during this period. Accordingly, our results of operations and financial condition in one quarter may not accurately reflect the trends for the entire Financial Year and may not be comparable with our results of operations and financial condition for other quarters. Additionally, any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during these peak seasons may adversely affect our business and results of operations.

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

We are dependent on our Board, Key Managerial Personnel and Senior Management Personnel and employees for our operations. The RBI mandates NBFCs to have in place supervisory standards to ensure that directors have appropriate qualifications, technical expertise and a credible track record, and these requirements may make it more difficult for us to identify suitable replacement for our directors. In particular, our senior management has significant experience in the financial services industry. We also face a challenge to hire, assimilate, train and retain skilled personnel. Competition for management and other skilled personnel in India is intense, and we may not be able to attract and retain the managerial and other personnel we need in the future.

As a result, our success will depend in large part on our ability to identify, attract and retain skilled managerial and other personnel. If we are not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation, it will be difficult for us to manage our business and growth. Our business is also dependent on our team of personnel who directly manage our relationships with our customers. Our business and profits would suffer adversely if a substantial number of such personnel left us or became ineffective in servicing our members over a period of time.

The table below sets forth the number of our employees and the corresponding attrition rates (defined as the number of employees that have voluntarily resigned, i.e., excluding separation on account of termination, death, superannuation, etc. during the specified year divided by the number of employees at beginning of year plus number of employees joined during the year):

Particulars	As of / For the Financial Year 2024	As of / For the Financial Year 2023	As of / For the Financial Year 2022
Number of employees	602	510	469
Attrition rate (%)	56.81%	54.75%	54.28%

*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024*

However, large scale attrition, especially at the senior management level, can make it difficult for us to manage and grow our business. The loss of key managerial personnel and senior management or our inability to replace key managerial personnel and senior management may restrict our ability to grow, to execute our strategy, to raise the

profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have an adverse effect on our results of operations and financial position.

Moreover, labour disputes, protracted wage negotiations, work stoppages and strike actions may impair our ability to carry on our day-to-day operations, which could adversely affect our results of operations. We have not faced any such material labour disputes, protracted wage negotiations, work stoppages or strike actions in the past. Furthermore, our employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect our business and results of operations.

**27. *Changes in the tenure of our loan products could result in asset liability mismatches and expose us to interest rate and liquidity risks, which may adversely affect our business, financial condition, results of operations and cash flows.***

We may face adverse asset-liability mismatches in the future, which could expose us to interest rate and liquidity risks. Loan with a tenure of 12 months or less, loan with a tenure of more than 12 months and less than 24 months, and loan with a tenure of more than 36 months or less constitute 1.37%, 98.60% and 0.03% of our total gross loan portfolio as of March 31, 2024, respectively.

If we are unable to repay the outstanding amounts under the facilities when recalled, we would default under the respective loan agreements. For details, please refer to chapter titled “**Restated Financial Statement**” and “**Financial Indebtedness**” on pages 203 and 203, respectively. As a result, we may face potential liquidity risks due to varying periods over which our assets and liabilities may mature. Such mismatches could adversely affect our business, financial condition, results of operations and cash flows. The below table shows the abstract of our asset and liabilities mismatches as of March 31, 2024 (₹ in Lakhs) -

Particulars	1 - 7 days	8 - 14 days	14 – 30 days	Over 1 Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Month to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities	383.08	102.80	1,085.52	1,204.43	1,072.11	3,189.65	5,045.88	4,951.23	1,922.14	3,862.25	22,819.06
Assets	3,164.60	358.77	683.52	1,221.91	1,064.71	3,260.80	6,473.57	6,472.32	-	118.86	22,819.06
Mismatch	2,781.52	255.97	(401.99)	17.48	(7.39)	71.15	1,427.70	1,521.10	(1,922.14)	(3,743.39)	
Cumulative Mismatch	2,781.52	3,037.49	2,635.50	2,652.98	2,645.59	2,716.74	4,144.43	5,665.53	3,743.39	-	

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

**28. *Any deterioration in the performance of any pool of receivables assigned by us may adversely affect our financial condition and results of operations.***

To improve liquidity and minimize operational risks, we may assign or securitize a portion of our receivables from our loan portfolio to securitization companies / reconstruction companies. We undertake such direct assignment and securitization transactions based on our internal estimates of funding requirements, which may vary from time to time. Furthermore, additional loss estimation is conducted by the relevant rating agencies. The table below sets forth details relating to our book value of loans securitized and our direct assignment portfolio without any recourse with banks and financial institutions:

Particulars	As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Total amount (₹ in Lakhs)	As a percentage of total assets (%)	Total amount (₹ in Lakhs)	As a percentage of total assets (%)	Total amount (₹ in Lakhs)	As a percentage of total assets (%)
Book value of loans securitized	1,260.95	5.53%	840.09	4.25%	156.31	1.01%

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

In the event the banks or financial institutions do not realize the receivables due under loans that have been securitized or assigned, the relevant banks or financial institutions can enforce the underlying credit enhancements assured by us. Furthermore, any deterioration in the performance of any pool of receivables assigned or securitized to banks and financial institutions could adversely affect the banks’ internal credit ratings assigned to the Company and credibility and therefore our ability to conduct further assignments and securitizations. We may also be named



as a party in legal proceedings initiated by such financial institution in relation to the assigned or securitized assets. In addition, any changes in the RBI or other government actions in relation to securitizations or assignments by NBFCs in general or MFIs specifically, could have an adverse effect on our assignment and securitization plans in the future. For further details, please see “— *To support and grow our business, we must maintain a minimum capital to risk weighted assets ratio, and lack of access to capital may prevent us from maintaining an adequate ratio*” on page 49 of this Draft Red Herring Prospectus

**29. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our management will have discretion over the use of the Net Proceeds.***

We intend to use the Net Proceeds from the Fresh Issue towards augmenting our capital base towards onwards lending. For further details, please refer to chapter titled “*Objects of the Offer*” on page 102. Pending utilization of the Net Proceeds, we intend to deposit such Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the RBI Act, as may be approved by our Board. Our proposed deployment of the Net Proceeds has not been appraised by any agency, including any bank or finance institutions and it is based on management estimates. Our management will therefore have discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of the Net Proceeds towards the objects of the Offer. Any variation in the utilisation of net proceeds shall require prior shareholder approval through postal ballot.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business, which may affect our prospects and results of operations. Accordingly, the use of Net Proceeds may not result in growth of our business or increased profitability.

**30. *We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the entire proceeds from the Offer for Sale.***

This Offer includes an Offer for Sale of up to 6,92,429 Equity Shares aggregating up to ₹ [●] Lakhs by the Selling Shareholders. Hence, the entire proceeds from the Offer for Sale will be paid to the Selling Shareholders and we will not receive such proceeds from the Offer for Sale. For further details, please refer to chapter titled “*Objects of the Offer*” on page 102.

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

In the ordinary course of our business, we have entered into several transactions with related parties, including our Promoters and certain members of our Promoter Group. These related party transactions include, among others, payment for services rendered, services received, processing fees paid, availed for training, and interest payable. The table below sets forth details relating to our related party transactions for the periods indicated:

(₹ in Lakhs)

Nature of transaction	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b><i>Unsecured loan taken (Subordinate Debt):</i></b>			
Anjum Ara	50.00	-	50.00
<b><i>Interest paid on unsecured loans:</i></b>			
Anjum Ara	8.04	7.50	6.00
<b><i>Interest paid on secured loans:</i></b>			
Ask Training and Learning Pvt Ltd	-	-	6.43
<b><i>Unsecured loan repaid:</i></b>			
Anjum Ara	-	-	50.00
<b><i>Secured loan repaid:</i></b>			
Ask Training and Learning Pvt Ltd	-	-	91.67
<b><i>Remuneration paid:</i></b>			
Dr. Aqueel Ahmed Khan	75.00	50.82	36.22
Prabhakar Rawat	61.48	42.40	30.22
Sumit Mittal	59.96	33.99	24.22
Ritika Agarwal	1.44	6.20	5.02
Ayesha Khan	0.73	9.34	6.89
Shalu Gupta	1.59	-	-

<b>Rent paid:</b>			
Association for Stimulating Know How	6.55	6.00	6.00
<b>Fees and Commission income:</b>			
Association for Stimulating Know How	65.00	70.00	128.74
<b>CSR Spent</b>			
Association for Stimulating Know How	4.37	-	-
<b>Equity Shares Issued (including premium):</b>			
Ask Training and Learning Pvt Ltd	-	-	156.00
<b>0.01 % CCCNPS Issued (including premium):</b>			
Ask Training and Learning Pvt Ltd	-	200.65	-

**Outstanding amount pertaining to related parties at the balance sheet date**

(₹ in Lakhs)

Name of the Related Party	As at March 31, 2024	As on March 31, 2023	As on March 31, 2022
Anjum Ara- Loan payable (Subordinate Debt)	100.00	50.00	50.00

In Financial Year 2024, there were no materially significant related party transactions entered into by the Company which may have potential conflict with the interest of the Company. All contracts, arrangement, or transactions entered by the Company during the Financial Year 2023-24, with its related parties, were in the ordinary course of business and the details of the transaction with related parties, were reviewed by our Audit Committee and approved by our Board. Transactions with related parties, as per the requirements of Indian GAAP, are disclosed in the notes to the accounts annexed to the Restated Financial Information.

While we confirm that all our related party transactions have been conducted on an arm's length basis and in compliance with Companies Act, 2013, and SEBI Listing Regulations and applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Such related party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company. We cannot assure you that such related party transactions, individually or in the aggregate, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

32. **Industry information included in this Draft Red Herring Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.**

Statistical and industry data used throughout this Draft Red Herring Prospectus has been obtained from various government and industry publications. We believe the information contained herein has been obtained from sources that are reliable, but we have not independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, this market and industry data has not been prepared or independently verified by us or the Book Running Lead Manager or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

33. **There is no monitoring agency appointed by our Company to monitor the utilization of the Offer proceeds**

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for fresh size is above ₹100.00 Crores. Hence, we have not appointed a monitoring agency to monitor the utilization of Offer proceeds. However, the audit committee of our Board will monitor the utilization of Offer proceeds. Further, our Company shall inform about material deviations in the utilization of Offer proceeds to the NSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Further, we propose to utilize the

Net Proceeds for purposes identified in the chapter titled “**Objects of the Offer**” on page 102 of this Draft Red Herring Prospectus towards our funding working capital requirements towards onward lending. The manner of deployment and allocation of such funds is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of the Companies Act. Our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Management and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full.

34. ***Relevant copies of one of the qualification certificates of Senior Managerial Personnel is not traceable. Further, reliance has been placed on translated copies of certificates in case of foreign director.***

Relevant copy of one of the degree certificates of Narayan Datta Dwivedi, Senior Managerial Personnel, are not traceable. The information included in the chapter is based on the marksheet obtained by the respective SMP.

Further, reliance has been placed on the translated copies of the qualification certificates and experience letters of Everardus Mauritius Trudo Ludding, Non-Executive Independent Director, who is a foreign resident, since all the original copies of the said certificates/ letters are in foreign languages.

Consequently, we or the Book Running Lead Manager cannot assure you that such information in relation to the particular Director/ SMP are true and correct and you should not place undue reliance on the qualification/ experience of such Director/ SMP included in this Draft Red Herring Prospectus.

35. ***Competition from other micro-finance institutions, banks (including small finance banks) and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian microcredit lending industry***

We face significant competition from other NBFCs, MFIs and banks in India (including SFBs). For details, please refer to chapter “**Business Overview – Competition**” on page 158 of this Draft Red Herring Prospectus. Many of these institutions with which we compete may have larger businesses in terms of assets under management, better access to lower cost of funding, larger assets size, number of branches and higher geographical penetration than we do. In certain areas, they may also have better name recognition and larger customer bases than us. We anticipate that we may encounter greater competition as we continue expanding our operations in India, which may result in an adverse effect on our business, results of operations and financial condition.

Traditional commercial banks, as well as regional rural and cooperative banks, have generally and not directly targeted the lower income segments of the population for new customers. However, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with non-governmental organizations, or through certain state-sponsored social programs. Furthermore, most small finance banks which received approval from the RBI for the commencement of SFB operations are focused on low and middle-income individuals and micro, small and medium enterprises. Some commercial banks are also beginning to directly compete with for-profit MFIs, including through their partner institution model and co- lending model, for lower income segment customers in certain geographies.

Disruption from digital platforms could also have an adverse effect on our business model and the success of our products and services that we offer to our customers. We face threats to our business from newer business models that leverage technology to bring together savers and customers.

In addition, as competition amongst micro-finance players increases, customers may take more than one loan from different micro-finance players, which may adversely affect our asset quality or the asset quality of the industry as a whole

36. ***We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly.***

Our financial statements are prepared in Indian Rupees. However, we have availed foreign currency borrowings and as on March 31, 2024 the outstanding foreign currency borrowing is ₹ 1359.75 lakhs. Accordingly, a portion of our interest expenses and also the repayment obligation of loan to the extent it relates to foreign currency borrowings are denominated in foreign currencies. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees.

Our interest expense and other expenses payable in foreign currency, repayment of loan in foreign currency and foreign exchange gain /(loss) for the relevant periods was as below:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Interest expense in foreign currency	33.11	0.61%	Nil	Nil	Nil	Nil
Management fee in foreign currency	15.17	0.28%	Nil	Nil	Nil	Nil
Principal repayment in foreign currency	Nil	Nil	Nil	Nil	Nil	Nil

The Company has foreign currency exposure are as below:

(₹ in lakhs)

Expenditure in Foreign Currency	March 31, 2024	March 31, 2023	March 31, 2022
Director Sitting Fees	2.30	0.60	-
Software and Subscription Charges	0.87	0.75	-
Management Fees on ECB	15.17	-	-
Interest on ECB	33.11	-	-

We monitor our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations. As on March 31, 2024 our Company has fully hedged its foreign currency risk, including repayment obligations of foreign currency borrowings and accordingly our open foreign currency exposure is Nil as on March 31, 2024.

Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, can have a material impact on our results of operations, cash flows and financial condition. In the event, we do not continue to hedge our risks, we may, be exposed to risks arising from exchange rate fluctuations. These gains/losses were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted. Adverse moves in exchange rates may adversely impact our profitability and financial condition. We cannot assure you that we will not be subject to foreign exchange losses in the future. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flow.

37. ***Our Company, its Directors and its Promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various forums and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status***

There are outstanding legal proceedings involving the Company, its Promoters and its Directors. These proceedings are pending at different levels of adjudication before various courts. The details of such outstanding litigations as at the date of this Draft Red herring Prospectus are as follows:

Nature of Cases	Number of Cases	Total Amount Involved (₹ in Lakhs)
<b>Proceedings against our Company</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Tax	Nil	Nil
<b>Proceedings by our Company</b>		
Criminal	21	61.66
Civil	Nil	Nil

Nature of Cases	Number of Cases	Total Amount Involved (₹ in Lakhs)
<b>Proceedings against our Director (other than Promoter)</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Tax	2	2.47
<b>Proceedings by our Director (other than Promoter)</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
<b>Proceedings against our Promoter</b>		
Criminal	Nil	Nil
Civil	Nil	Nil
Outstanding actions by Regulatory and Statutory Authorities	Nil	Nil
Tax	2	1.56
<b>Proceedings by our Promoter</b>		
Criminal	Nil	Nil
Civil	Nil	Nil

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition, please refer to chapter titled “*Outstanding Litigation and Material Developments*” on page 266 of this Draft Red Herring Prospectus.

**38. 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 personal accident, medical illness of our employees, insurance for directors and officers and cash fidelity. The table below sets out details of our insurance coverage for Financial Years 2024, 2023 and 2022:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Insurance Coverage (₹ in Lakhs)	10,596.00	7,395.00	4,595.00

*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024*

Our insurance policies, however, may not provide adequate coverage in certain circumstances such as for regulatory and compliance risks, operational risks and for financial assets which are not insurable. Furthermore, our insurance policies are subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all potential losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. During Financial Years 2024, 2023 and 2022, we have had 8 claims amounting to ₹ 6.28 lakhs rejected, all as part of our group health insurance. 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.

**39. None of our Independent Directors except Mohandas Dasari have experience of being a Director of a public company.**

Our Independent Directors except Mohandas Dasari do not have the experience of being directors/ holding directorships of public listed companies. Accordingly, they have limited exposure as regards managing the affairs of a listed company which inter-alia entails several compliance requirements and scrutiny of affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, our Company will be required to adhere strict standards pertaining to accounting, corporate governance and reporting that it did not require as an unlisted company. Our Company will also be subject to the SEBI Listing Regulations, which will require it to file audited annual and unaudited quarterly reports with respect to its business and financial condition. If the Company experiences any delays, we may fail to satisfy the reporting obligations. Further, as a publicly listed company, our Company will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our Company's disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, the Board of our Company may have to provide increased attention to such procedures and their attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition.

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

The average cost of acquisition of Equity Shares of the Promoters and 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 Promoters and 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 Draft Red Herring Prospectus*	Weighted average cost of acquisition per Equity Share of face value of ₹10 each (in ₹) #
<b>Promoters</b>		
Dr. Aqueel Ahmed Khan	1,02,49,200	6.63
Prabhakar Rawat	23,96,600	1.22
ASK Training and Learning Pvt Ltd	8,85,250	40.29
<b>Selling Shareholders:</b>		
Farah Siddiqui	30,90,659	22.65
Prakash Layak	3,50,000	Nil

#Weighted average price has been arrived at by considering only the cost of shares allotted to the Promoters on account of further issue, bonus issue and transfers, i.e., cost paid by the Promoters for acquisition by way of subscription, bonus issue and acquisition from other shareholder(s) divided by the total number of equity shares acquired by the above transactions.

\*While calculating the weighted average price of the shares in the hands of the individual, the cost of shares was considered as the price paid to the transferor against such acquisition of shares.

# The above workings are assuming conversion of all outstanding CCPS. For details of the CCPS, see "Capital Structure" on page 79.

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

**41. Concerns about terms of loans provided by us may adversely affect our reputation and thereby the growth and the market acceptance of our products and services**

We provide loans to women, belonging to low-income groups primarily in rural areas. As a result of our business model of providing financial services at the villages of our customers, our operating expenses, particularly, finance, employee, travel and rent expenses are high. This, along with our cost of financing, may result in higher interest rates being charge to our customers, in comparison to the interest rates generally charged by banks. This observation, including the terms of our loans, continue to be the subject of careful evaluation, analysis and often, criticism. Perception of our business and business model, including, among others, by social and political workers or disgruntled former stakeholders, could harm our reputation. Further, farmers and rural customers may undergo stress in meeting repayment schedules due to failure of crop harvests or other factors, resulting in significant publicity and media coverage. While we have not faced any instances of material adverse publicity in the past, we cannot assure



you we will not face any material adverse publicity in the future, which may adversely affect our growth and the market acceptance of our products and services.

42. ***The market capitalization to revenue, market capitalisation to Profit after tax, and enterprise value (“EV”) to EBITDA, based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.***

*For the Financial Year 2024, our revenue from operations was ₹ 5348.27 Lakhs and the EBITDA was ₹ 3,020.68 Lakhs, and (i) our market capitalization to revenue (for the Financial Year 2024) multiple is [●] times and [●] time at the lower end and the upper end of the Price Band, respectively; and (ii) our market capitalization to profit after tax for (Financial Year 2024) multiple is [●] times and [●] time at the lower end and the upper end of the Price Band, respectively. Further, our EV to EBITDA ratio is [●], for the Financial Year ended March 31, 2024. For details in relation to the comparison of the above parameters with the listed industry peers, please refer to chapter titled “Basis for Offer Price” on page 107. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book building process and certain quantitative and qualitative factors as set out in the chapter titled “Basis for Offer Price” on page 107. The Price Band, Offer Price and derived multiples and ratios may not be indicative of our market price on listing or thereafter.*

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Any valuation exercise undertaken for the purposes of the Offer by us (through the IPO Committee), in consultation with the Book Running Lead Managers in accordance with the SEBI ICDR Regulations, is not based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, COVID-19 related or similar situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, 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.

43. ***We have issued CCPS to the allottees pursuant to allotments between August 2016 to January 2023 at a price that may be lower than the Offer Price.***

We have issued CCPS to the allottees pursuant to allotments between August 2016 to January 2023 as disclosed “**Capital Structure – Notes to Capital Structure – Share Capital History of our Company – Preference share capital**” on page 90 at prices that could be lower than the Offer Price. The prices at which CCPS have been issued by us in the past should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing. For details, see “**Capital Structure – Notes to Capital Structure – Share Capital history of our Company**” on page 90 of this Draft Red Herring Prospectus.

44. ***In the event there is any delay in the completion of the Offer, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Offer which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Offer as has been stated in the chapter “**Objects of the Offer**” beginning on page 102 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Offer is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Offer, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

45. ***Any material deviation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds for funding of Working Capital requirement towards onward lending. Such objects have not been appraised by any bank or financial institution, for further details of the proposed objects of the Offer, please refer to chapter titled “**Objects of the Offer**” beginning on page 102 of this Draft Red Herring Prospectus. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet

any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and Schedules XI and XX of the SEBI ICDR Regulation, any material deviation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus requires the Company to obtain the approval of shareholders of our Company through a special resolution. In such event, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Company and Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with the material deviation of the proposed utilization of Net Proceeds, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters from agreeing to the material deviation of the proposed utilization of the Net Proceeds, even if such material deviation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to undertake material deviation of the proposed utilization of the Net Proceeds to use any unutilized proceeds of the Offer, if any, even if such material deviation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Offer Proceeds, if any, which may adversely affect our business and results of operations.

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

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous.

Additionally, we have applied and are in the process of applying for certain approvals, licenses, registrations and permits, which are necessary for us to continue our business and need to be updated pursuant to conversion from private to public Company. For instance, our Company has applied the name change in the certain certificates and the name has been duly changed from Sona Finance Private Limited to Mitrata Inclusive Financial Services Private Limited. The Company is awaiting the amended certificate from the authorities. Further, Company has applied for the address change in some of the Shops and Establishment Certificate. Our Company has also made applications for (i) Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Chandpur Road, Shiv Lok Colony, Balipura, Post Thana- Bulandsahar, Uttar Pradesh – 203001, (ii) Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Mohalla Sarai, Kishanchand, Dharampur Road Dibai, Dibai, Bulamdsahar, Uttar Pradesh- 202393, (iii) Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Ward no. 2, Ramlal Mohalla, Abhuapura, Kiroli, Agra, Uttar Pradesh -283112, (iv) Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Village Mithaura Bazar, Near Nirmala Inter College, Tehsil Nichlaur, Maharajganj, Uttar Pradesh – 273303, (v) Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Lakha Bazar, Aligarh Bulandsahar Road, Near Gabhana Bust Stand, Gabhana, Aligarh, Uttar Pradesh- 202136 (vi) Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Tradat Nagar Road, Near Over bridge, Post thana Saiyan, Khairagarh, Agra, Uttar Pradesh- 283124 (vii) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Sanskrit Vidyalay, Ward No. 1, Bhagawanpur Chakshekhu, Dalsinghsarai, Samastipur, Bihar, 848114 (viii) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Ground Floor House No.-0055, Sandha Dumber Ward-12, Near Pani Ki Tanki, Motipur Baruraj, Motipur, Muzaffarpur, Bihar, 843111, (ix) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Dharampur, Ward No. 8, Dharampur, Samastipur, Samastipur, Bihar, 848101 (x) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Cold Store, Ward no-07, Shahpur Undi, Shahpur Undi, Samastipur, Bihar, 848504, (xi) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Commercial Chowk, In front of Masjid, G.N Road, Ward no-41, Laharia Sarai, Darbhanga, Darbhanga, Bihar, 846001, (xii) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Ward no-12, Manjhaul-03, Village-Manjhaul, In front of Kali temple, Majhaul, Begusarai, Bihar, 851127 (xiii) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Ram Chowk, Bhora, New Ganga Sagar Colony, Madhubani, Madhubani, Bihar, 847212, (xiv) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- S H 88, First Floor, Bhirha Road, Panchupur, Prabhu Thakur Mohalla, Rosera, Rosera, Samastipur, Bihar, 848210, (xv) Registration Form 1 (rule 3), under Bihar shops and

establishment act 1995- Rajputana Tola Jaynagar Basti, Post Thana Jaynagar Madhubani, Jaynagar, Jaynagar, Madhubani, Bihar, 847226, (xvi) Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Ward No.10,Near DAV School,Black Runnisaidpur, Village Rampur Runnisaidpur, North Runnisaidpur, Police Station,Runnisaidpur, Runnisaidpur, Runni, Sitamarhi, Bihar, 843328. The Company has not received amended certificate from the authorities as on date. Furthermore, Company is also in the process of amendment of some of the address in the Shops and Establishment Certificate as per the address mentioned in the GST Certificate.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, which are, pending receipt or renewal, see **“Government and Other Statutory Approvals”** on page 273 of this Draft Red Herring Prospectus

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

**47. *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.***


We have not declared dividend in the last five years. For further information, please refer to chapter titled **“Dividend Policy”** on page 202 beginning of this Draft Red Herring Prospectus. 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 of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with the dividend distribution policy as may be adopted by our Board from time to time and will depend on factors that our Board deems relevant, including among others, our Company’s profitability, capital requirements, financial commitments and requirements, including business and expansions plans, applicable legal restrictions and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

In addition, the declaration and payment of dividend is subject to relevant RBI regulations and guidelines issued by the RBI from time to time. For instance, in order to infuse transparency and uniformity in practice of declaration of dividend by NBFCs, the RBI through its circular on ‘Declaration of dividends by NBFCs’ dated June 24, 2021, prescribed guidelines for declaration of dividend from the profits of the Financial Year ending March 31, 2022 onwards, providing among other things, eligibility criteria on different parameters such as capital adequacy, net NPA ratio and quantum of dividend payable, compliance with regulations and guidelines issued by the RBI, including prescribed ceilings on dividend payout ratio, among others. Similar guidelines may be imposed in the future.

**48. *We have issued Equity Shares during the last twelve months at a price that may 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 96, we have not in the last twelve months prior to filing this Draft Red Herring Prospectus, issued Equity Shares at prices that could be lower than the Offer Price. 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 after listing.

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

As on date of this Draft Red Herring Prospectus, our Company has application for its logo ‘ MITRATA ’ dated July 17, 2024 under class 36 of the under the Trade Mark Act, 1999 which is currently pending There can be no assurance that we will be able to successfully obtain the registration in a timely manner or at all, which may affect our ability

to use the logo in the future. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

Pending the registration of the trademark, any third party may use the above-mentioned trademark and we may have a lesser recourse to initiate legal proceedings to protect our intellectual property. Further, our application for the registration of trademark may be opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registration due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of the trademark, we may not be able to use such trademark and / or avail the legal protection or prevent unauthorized use of such trademark by third parties, which may adversely affect our goodwill and business.

*For further details see “Business Overview - Intellectual Property” and “Government and Other Statutory Approvals - Pending Intellectual property related approvals Application” on pages 165 and 283 respectively.*

**50. *Loans due within two years account for almost all of our interest income, and a significant reduction in short-term loans may result in a corresponding decrease in our interest income.***

Approximately 99.95% of the loans we issue are due within approximately two years of disbursement. The relatively short-term nature of our loans mean that our long-term interest income stream is less certain than if a portion of our loans are for a longer term. The short-term nature of our loan must be continuous to ensure consistent interest income, despite regular marketing expenditures. In addition, our customers may not obtain new loans from us upon maturity of their existing loans, particularly if the competition increases. The potential instability of our interest income could materially and adversely affect the results of our operations and our financial position.

**51. *We are subject to certain conditions under our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.***

As of March 31, 2024, we had debt securities (excluding subordinated debt) of ₹ 775.00 Lakhs and borrowings (other than debt securities and subordinated debt) of ₹ 17074.99 Lakhs. Incurring indebtedness is a direct consequence of the nature of our business, and having a large outstanding borrowings portfolio may have significant implications on our business and results of operations, including, *inter alia*:

- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is at variable interest rates;
- affecting our ability to obtain additional financing in the future at acceptable terms;
- triggering provisions of cross-default across multiple financing arrangements;
- adverse and onerous implications (including limitations on the use of funds in the relevant facility) in the event of inability to comply with financial and other covenants specified in the financing agreements; and
- our lenders' right to recall loans.

For further information, please refer to chapter titled “**Financial Indebtedness**” on page 257.

Some of the financing arrangements entered into by us also include conditions that require us to obtain the respective lender's consent prior to carrying out certain activities. These covenants limit our ability to: (i) change our capital structure; (iii) change in general nature of business or diversifying into non-core areas viz. business other than the current business; (iv) enter into any scheme of amalgamation or merger of doing a buyback; (v) alter our constitutional documents; (vi) change management control, ownership or shareholding pattern of our Company; prepayment of any existing indebtedness (viii) undertaking any further capital expenditure except being funded by our Company's own resources (ix) repaying subordinated loans availed from directors/group companies (x) effecting any dividend payout / capital withdrawal, in case of delays in debt servicing or breach of financial covenants (xi) winding up or liquidating our affairs or agreeing to settle any litigation / arbitration having material adverse effect (xii) paying any commission, brokerage or fees to its promoters / directors / guarantors / security providers (xiii) making any repayment of loans and deposits and discharge other liabilities (xiv) paying dividend in case of delay of debt servicing or breach of any financial covenants (xv) dilution in the shareholding of Mitrata Inclusive Financial Services Limited below the threshold prescribed. In addition, our financing arrangements also includes financial covenants that require us to, among other things, maintain ratios relating to capital adequacy our gross NPA to gross loan portfolio, net NPA to tangible net worth pre-provision after tax net income, capital to risk weighted asset, debt to equity and failure to observe covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger of cross-default provisions and the enforcement of security provided.

**52. We may not be able to repay our financing obligations in full, or at all, if there is a recall or acceleration notice.**

There have been certain instances of breach of financial covenants included in our borrowing agreements in the past. While no adverse action has been taken against us by our lenders, we cannot assure you that the lenders will not levy any higher interest or recall of the facility and such breaches in the future may not have a material adverse impact on our business, financial condition and cash flows.

Except for few breaches, there have been no instances of delay in the repayment of principal, and no such breach of any financial covenants under our financing obligations by us in the past (including Fiscals 2022 to 2024). However, we cannot assure you that we will be able to repay our loans in full, or at all, at the receipt of a recall or acceleration notice, or otherwise. In the past, we have availed moratorium from certain of our lenders under the framework permitted by the RBI on account of the COVID-19 pandemic.

Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse effect on our credit rating, business, results of operations and financial performance. Breaches of our financing arrangements, including the aforementioned terms and conditions, in the future may result in the termination of the relevant credit facilities, levy of penal interest, triggering cross default provisions, having to immediately repay our borrowings and enforcement of security. We may be restricted from obtaining alternative financing by the terms of our existing or future debt instruments. Any acceleration of amounts due under our facilities may also trigger cross default provisions under our other financing agreements. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

**53. COVID-19 has had an adverse effect on our business, results of operations and financial performance.**

Our business and operations were adversely impacted by the COVID-19 pandemic, which increased our level of write-offs and temporarily reduced the demand for our products. Furthermore, primarily because of government-imposed lockdowns and safe distancing measures, which resulted in us not being able to have physical meetings with our customers during certain periods (especially in the Financial Year 2022 where no further moratorium on loans was provided by RBI during the second wave of the COVID-19 pandemic), (a) our regular collection efficiency for the Financial Year 2022 was lower than that for the Financial Years 2021 and 2024 and (b) our disbursements in the Financial Years 2022 and 2023 were impacted as compared to the Financial Year 2024, as set forth in the table below:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Collection Amounts (₹ in Lakhs)	25,898.67	23,296.62	18,700.54
Regular Collection Efficiency (%)**	99.45%	99.79%	96.28%
Disbursements (₹ in Lakhs)	15,303.34	15,943.36	12,120.28

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

\*\* Current Collection plus overdue collection divided by current demand

Although the impact of the COVID-19 pandemic has significantly decreased as there has been no major business disruption or government restrictions after March 2022, there can be no assurance that similar levels of business interruptions caused by another pandemic or other similar causes will not occur.

**54. There are certain instances of delays in payment of statutory dues by us. Any further delay in or non-payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows.**

We are required to pay various statutory dues in respect of our employees, including employee provident fund contributions, ESIC, tax deducted at source and other statutory deductions, in terms of applicable law. There are certain instances of delays in payment of certain statutory dues, including with respect to payment of tax deducted at source, contributions towards employee provident fund and employee state insurance, professional tax and labour welfare fund. The details of delay in payment of certain statutory dues during Fiscals 2024, 2023 and 2022, is mentioned below:

S. No.	Nature of statutory dues	Range of delay (in days)
1.	Employee state insurance	Nil
2.	Employees provident fund	1
3.	Professional tax	Nil
4.	Labour welfare fund	Nil
5.	Tax deducted at source	Nil

For Fiscals 2024, 2023 and 2022, we have had instances of delays in the payment of certain statutory dues, which as of the date of this Draft Red Herring Prospectus have been paid. As on March 31, 2024, our total outstanding amount of statutory dues was ₹63.76 Lakhs, which had been repaid as of the date of this Draft Red Herring Prospectus\*. While no penalties have been levied in the past by any of the relevant statutory authorities, any further delay in payment of statutory dues which may arise in the future could lead to imposition of financial penalties from the relevant government authorities which in turn may have a material adverse impact on our business, financial condition and cash flows.

*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024*

**55. *Our Company has entered into addendum to Shareholder Agreement dated August 06, 2024 amongst our Company, Farah Siddiqui, Dr Aqueel Khan, Prabhakar Rawat and other Shareholders read with waiver letter***

Our Company has entered into the SHA pursuant to which the parties will continue to have Board nomination rights. The said Board nomination rights are also reflected in the Articles of Association of our Company, which comprises two parts, identified as Part A and Part B, of which Part A, which shall continue to be in effect after the filing of the Red Herring Prospectus with the RoC, or as directed by the Stock Exchange, and shall conform to requirements and directions provided by the Stock Exchanges, and Part B, which contains the Articles of Association (amended to reflect the changes pursuant to the waiver letter) and which shall automatically terminate and cease to have any force and effect from the date of filing of the Red Herring Prospectus with the RoC, without any further corporate or other action by our Company or the Parties. For details, see the chapter titled “**History and Certain Corporate Matters – Shareholders’ Agreements**” and “**Main Provisions of Articles of Association**” on pages 178 and 345, respectively, of this Draft Red Herring Prospectus. The interests of the Parties, including our Promoters and the Selling Shareholders could conflict with the interests of other Shareholders. While the actions carried out by our Company post-listing will be subject to Board and Shareholders’ approvals, as required under the Companies Act, 2013, and the SEBI Listing Regulations, in the interest of our Company and its minority Shareholders and in compliance with the SEBI Listing Regulations, any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

**56. *We may face difficulties in managing our operating expenses in the event of a decline in the volumes of disbursements and the size of the gross loan portfolio of the Company.***

In cases of significant reduction in new disbursements or the size of our gross loan portfolio and any significant reduction in our business, we may not be able to adjust our employee numbers commensurately and reduce our employee benefits expenses in a relatively shorter period. Our employee benefits expenses amounted to the following:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee benefits expenses (₹ in Lakhs)	1,741.33	1,489.67	1,185.66
Employee benefits expenses (% to operating expenses that includes employee benefits expenses, fee and commission expenses, depreciation and amortization and other expenses)	76.61%	76.92%	77.40%

*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024*

Other large components of our operating expenses include rent, travelling and conveyance, repairs to machinery, legal and professional charges, bank charges and communication expenses, which may be difficult to reduce quickly. In such instances, our inability to retain sufficient flexibility in our cost structure and adjust to rapid change of business circumstances may adversely affect our business and results of operations.

**57. *We face the threat of cyber-fraud and cyber-attacks, such as hacking, phishing and theft of sensitive internal data or customer information. We also face the threat of a system breakdown, network outage and system failure. These may damage our reputation and adversely affect our business and results of operations.***

We have deployed necessary systemic and operational controls to protect our systems. However, they may not be adequate to prevent cyber-frauds, and cyber-attacks targeted at disrupting our services, such as zero-day attacks, hacking, phishing and theft of sensitive internal data or customer information. Furthermore, our internet platforms may be targeted for hacking or compromise by third parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third parties can include data theft, ransom-ware attacks and advanced persistent threats. Our information technology systems, software and networks may be vulnerable to bugs and computer viruses that could compromise data integrity and security. We have not faced any instances of cyber-frauds and cyber-attacks in the last three Financial Years. However, we cannot assure you that we will not encounter any instances of cyber-frauds and



cyber-attacks in the future. The frequency of such cyber-frauds and cyber-attacks may increase in the future with the increased digitization of our services. If we become the target of any of such cyber-frauds and cyber-attacks, it could adversely affect our business and results of operations. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

A significant system breakdown, bugs or glitches, network outage or system failure caused by intentional or unintentional acts would also have an adverse effect on our business. In June 2017, the RBI issued master directions on information technology frameworks for NBFCs which prescribe measures to be adopted by NBFCs to minimize cyber risk, including adoption of IT strategy policies (overseen by a strategy committee), information and cyber security protocols and policies, and reporting of cyber-security incidents and breaches to the RBI from time to time. The RBI has also issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices and has repealed the master directions issued by the RBI in June 2017. For further details, please refer to chapter titled “**Key Industry Regulations and Policies – Key Regulations Applicable to Our Company – Master Direction - Information Technology Framework for the NBFC Sector Directions, dated June 8, 2017 (“IT Framework Directions”)**” on page 167.

58. ***We have presented, in this Draft Red Herring Prospectus, certain financial measures and other selected statistical information relating to our financial condition and operations which are prepared under or required by Indian GAAP. These financial measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

This Draft Red Herring Prospectus includes financial measures and certain other statistical information of our financial condition and operations are prepared under or required by Indian GAAP, which may not accurately represent our financial condition, performance and results of operations. We compute and disclose such GAAP financial information relating to our financial condition and operations as we consider such information to be useful measures of our business and financial performance in the Draft Red Herring Prospectus.

Such GAAP financial information is based on management accounts and internal financial information systems of our Company and is prepared by adjusting, based on management estimates, the financial measures in our Restated Financial Statement.

Furthermore, the GAAP financial information may be different from financial measures and statistical information disclosed or followed by other NBFCs or micro finance companies. The GAAP financial information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by NBFCs, micro finance companies or other financial services companies. Accordingly, investors should not place undue reliance on the GAAP financial information included in the Draft Red Herring Prospectus.

## **EXTERNAL RISKS**

### ***Risks relating to India***

59. ***Changing laws, rules and regulations and legal uncertainties in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new and additional compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. For instance, the GoI has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations, which may restrict our ability to grow our business in the future and increase our expenses.

The Digital Personal Data Protection Bill, 2023 has received assent of the President of India on August 11, 2023. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

**60. *The occurrence of natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect the financial markets and our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war such as Russia's invasion of Ukraine, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. India has, from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighboring countries. For example, there was a mass protest by farmers against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, results of operations, financial condition and cash flows. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian Company.

**61. *A downgrade in ratings of India and other jurisdictions in which we operate may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Further, a downgrading of India's credit ratings may occur, for example, upon change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**62. *We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002 ("*Competition Act*"), as amended, seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of

purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e. entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

**63. *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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI Takeover Regulations**"); an 'acquirer' has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/ shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the 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 SEBI Takeover Regulations.

**64. *Investors may not be able to enforce a judgment of a foreign court against us, our Directors and our BRLM or any their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is incorporated under the laws of India as a company limited by shares. As on the date of this Draft Red Herring Prospectus, all of our Directors, Key Managerial Personnel and Senior Management are residents of India. We are incorporated under the laws of India and most of our Directors, Key Managerial Personnel and members of the Senior Management Personnel reside in India. As a result, you may be unable to effect service of process in jurisdictions outside India, upon our Company or enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 of the Code of Civil Procedure, 1908 ("**CPC**"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, 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 a 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; and (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, upon 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. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees

not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties but does not include an arbitration award, even if such an award is enforceable as a decree or judgment. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour 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. The suit must be brought in India within three (3) years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. 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. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered, and we cannot assure you that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Further, any such amount may be subject to income tax in accordance with applicable laws. Any judgment awarding damages in a foreign currency is required to be converted into Rupees on the date the award becomes enforceable and not on the date of payment.

## **OFFER SPECIFIC RISKS**

### ***Risks relating to the Equity Shares and this Offer***

#### ***65. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” on page 107 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, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

#### ***66. The trading volume and market price of our Equity Shares may be volatile post the Offer.***

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

- (a) General economic and stock market conditions;
- (b) Half yearly variations in our results of operations;
- (c) Results of operations that vary from those of our competitors;
- (d) Changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- (e) Announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- (f) Announcements by third parties or governmental entities of significant claims or proceedings against us;

- (g) New laws and governmental regulations applicable to our industry;
- (h) Additions or departures of key management personnel;
- (i) Changes in exchange rates;
- (j) Public's reaction to our press releases, other public announcements and filings with the regulator;
- (k) Any additional investment or sale of investment by significant shareholders(s);
- (l) Fluctuations in stock market prices and volume.

Changes as regards any of the factors above could adversely affect the price of our Equity Shares.

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

In accordance with the SEBI ICDR Regulations, and other regulations and guidelines prescribed by the SEBI, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares Bid for or the price) at any stage after submitting a Bid and are required to pay the Bid Amount at the time of submission of the Bid.

While our Company is required to complete Allotment pursuant to the Offer within three (3) Working Days from the Bid/Offer Closing Date, or such other period as may be prescribed by SEBI, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Bid by QIBs and Non- Institutional Investors and Allotment of the Equity Shares. Our Company may choose to complete the Allotment of the Equity Shares pursuant to the Offer despite the occurrence or one or more such events, and QIBs and Non- Institutional Investors would not be able to withdraw or lower their Bids in such or any other situation, once they have submitted their Bid.

**68. *Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters, members of our Promoter Group and other significant shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth (whether organic or inorganic) through future equity offerings. Any future issuance of Equity Shares, convertible securities or securities linked to the Equity Shares by us, may lead to a dilution of your shareholding in our Company. Any future equity issuances by us (including under any employee benefit scheme) or disposal of our Equity Shares by our Promoters, members of our Promoter Group or any of our other principal shareholders or any other change in our shareholding structure or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our equity shares or incurring additional debt.

We cannot assure you that we will not issue further Equity Shares or that our existing shareholders including our Promoter and members of our Promoter Group will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholders' investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

**69. *Significant differences exist between Indian Accounting Standards and other accounting principles, such as United States Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), which investors may consider material to their assessment of our financial condition.***

Our Restated Financial Statement for Fiscal 2024, Fiscal 2023 and Fiscal 2021, have been prepared and presented in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more

familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

**70. *Rights of shareholders of our Company under Indian law may be more limited than under the laws of other jurisdictions.***

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

**71. *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. In addition, 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 our Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Furthermore, NBFCs are required to obtain prior written permission of the RBI for, (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26.00% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buyback of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence) and (c) any change in the management of a NBFC, 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.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("DPIIT"), as consolidated in the FDI Policy with effect from October 15, 2020, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. 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 GoI. Any such approval(s) would be subject to the discretion of the regulatory authorities. This may cause uncertainty and delays in our future investment plans and initiatives.

We cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all. For further details, please refer to chapter titled "***Restrictions on Foreign Ownership of Indian Securities***" on page 344.

Moreover, the exchange control regulations we are subject to constrain our ability to remit dividends to our Shareholders. There is no assurance that your dividends will not subject to any delay or deduction. In addition, the exchange control regulations we are subject to could affect the availability of cash and cash equivalents for use by our Company, which may adversely affect our business, results of operations, financial condition and cash flows.

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company, in consultation with the BRLM. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLM, through the Book Building Process. These will be based on numerous factors, including factors as described under "***Basis for the Offer Price***" on page 107 and may not be indicative of the market price for the Equity Shares after the Offer.



The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. There can be no assurance that an active market will develop or sustained trading will take place in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**73. *Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures such as the Additional Surveillance Measures (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges in the order to enhance market integrity and safeguard the interest of the investors.***

On and post the listing of equity shares, we may be subject to ASM and GSM by the Stock Exchange(s) and the Securities and Exchange Board of India. These measures have been introduced in order to enhance market integrity, safeguard the interest of investors and to alert and advise investors to be extra cautious and carry out necessary due diligence while dealing in such securities. The criteria for shortlisting any scrip trading on the Stock Exchange(s) under the ASM is based on an objective criterion as jointly decided by SEBI and the Stock Exchanges(s) which includes market based dynamic parameters such as high low price variation, client concentration, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. A scrip is typically subjected to GSM measures where there is an abnormal price rise that is not commensurate with the financial health and fundamentals of a company. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalisation, and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. 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 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.

**74. *Our ability to raise foreign currency funds may be constrained by Indian law.***

As an Indian NBFC, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings 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

**75. *Requirements of being a listed company may strain our resources.***

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

**76. *Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief.

Accordingly, Investors may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately

preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as STT.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument (“MLI”), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. No dividend distribution tax is required to be paid 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.

Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company’s business, financial condition, results of operations and cash flows.

77. ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Furthermore, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

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 does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The 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. This Offer Price will be based on numerous factors, including as described under the chapter titled “***Basis for Offer Price***” on page 107 of the Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, results of operations that vary from the expectations of research analysts and investors results of operations that vary from those of our competitors, and changes in expectations as to our future financial performance conditions in financial markets, including those outside India, the strain of being a listed 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, and may decline below the Offer Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

78. ***There is no guarantee that the Equity Shares will be listed, or continue to be listed, on the Stock Exchanges in a timely manner, or at all, and such that the prospective investors will not be able to immediately sell their Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted by the Stock Exchanges until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

79. ***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 upon listing on the Stock Exchanges. Furthermore, the current market price of some securities listed pursuant to initial public offerings which were managed by the Book Running Lead Managers in the past, 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’s board or the IPO Committee, in consultation with the BRLM through the book building process in accordance with the SEBI ICDR Regulations. These will be based on numerous factors, including factors as described under the chapter titled “***Basis for Offer Price***” on page 107 of the Draft Red Herring Prospectus and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges. The price of our

Equity Shares upon listing on the Stock Exchanges will be determined by the market and may be influenced by many factors outside of our control. For further details, see “– *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Furthermore, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.*” on page 66. Furthermore, 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 Book Running Lead Managers***” on page 292.

**80. *Currency exchange rate fluctuations may affect the value of the Equity Shares***

The Equity Shares are and will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the Net Proceeds received by the shareholders.

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

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

## SECTION – III INTRODUCTION

### THE OFFER

The following table summarizes the Issue details:

PARTICULARS	DETAILS OF EQUITY SHARES
<b>Offer of Equity Shares by our Company</b>	Up to 72,00,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to maximum ₹ [●] Lakhs.
<i>Consisting of</i>	
<b>Fresh Issue<sup>(i)</sup></b>	Up to 65,07,571 Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] Lakhs.
<b>Offer for sale<sup>(ii)</sup></b>	Up to 6,92,429 Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] Lakhs.
<i>Consisting of</i>	
<b>Market Maker Reservation Portion</b>	[●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs.
<b>Net Offer to The Public* <sup>(iii)</sup></b>	[●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs.
<i>Out of which</i>	
<b>A. QIB Portion <sup>(iv)</sup></b>	Not more than [●] Equity Shares aggregating up to ₹ [●] Lakhs
<i>Out of which</i>	
<b>i) Anchor Investor Portion</b>	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>ii) Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed)</b>	[●] Equity Shares aggregating to ₹ [●] Lakhs
<i>Out of which</i>	
<b>(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>(b) Balance of QIB Portion for all QIBs including Mutual Funds</b>	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>B. Non-Institutional Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
<b>C. Retail Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
<i>Pre-and Post-Offer Equity Shares</i>	
<b>Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus and prior to conversion of CCPS)</b>	25,76,840 Equity Shares of face value of ₹ 10.00/- each.
<b>Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus assuming conversion of all outstanding CCPS) #</b>	1,84,40,949 Equity Shares of face value of ₹ 10.00/- each.
<b>Equity Shares outstanding after the Offer</b>	[●] Equity Shares of face value of ₹10.00/- each.
<b>Use of Offer Proceeds</b>	For details, please refer chapter titled “ <i>Objects of the Offer</i> ” beginning on page 102 of this Draft Red Herring Prospectus.

\*Subject to finalisation of the Basis of Allotment, Number of shares may need to be adjusted for lot size upon determination of Offer price

# Prior to filing of the Prospectus, the following outstanding CCPS will convert to a maximum of up to 1,58,64,109 Equity Shares of face value of ₹10 each, in accordance with the SEBI ICDR Regulations, and the terms of the CCPS, in the following manner:

Outstanding CCPS as on date of this Draft Red Herring Prospectus	Maximum number of resultant Equity Shares
30,00,000 CCPS of face value ₹ 10 each	30,00,000 Equity Shares of face value of ₹10 each
80,00,000 CCPS of face value ₹ 10 each	80,00,000 Equity Shares of face value of ₹10 each
12,88,300 CCPS of face value ₹ 10 each	12,88,300 Equity Shares of face value of ₹10 each
13,73,526 Series A CCPS of face value ₹ 10 each	13,73,526 Equity Shares of face value of ₹10 each
13,73,626 Series A CCPS of face value ₹ 10 each	13,73,626 Equity Shares of face value of ₹10 each
3,43,407 Series A CCPS of face value ₹ 10 each	3,43,407 Equity Shares of face value of ₹10 each
4,85,250 CCPS of face value ₹ 10 each	4,85,250 Equity Shares of face value of ₹10 each

**Notes:**

(i) The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 05, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on August 06, 2024.

(ii) Since, the Offer is being made under Chapter IX of the SEBI ICDR Regulations, 2018, the requirement of Regulation 8 is not applicable and accordingly, the Selling Shareholders has confirmed that the Equity Shares proposed to be offered and sold in the Offer are therefore eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale. For details, see **“Other Regulatory and Statutory Disclosures - Authority for the Offer”** on page 284 of this Draft Red Herring Prospectus. Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each Selling Shareholders has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see **“Other Regulatory and Statutory Disclosures – Authority for the Offer”** on page 284 of this Draft Red Herring Prospectus.

(iii) Each of the Selling Shareholder have confirmed and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below

Sr. No.	Name of the Selling Shareholders	Date of Consent Letter	No. of Equity Shares	Amount (₹ in Lakhs)
1	Farah Siddiqui	August 06, 2024	6,00,000	[●]
2	Prabhakar Layak	August 06, 2024	92,429	[●]

(iv) This offer is being made in terms of Regulation 253(1) under Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time, which reads as under:

“In an issue made other than through the book building process, the allocation in the net offer category shall be made as follows:

a) not less than thirty-five per cent. to retail individual investors;

b) not less than fifteen per cent. to non-institutional investors;

c) not more than fifty per cent. to qualified institutional buyers, five per cent. of which shall be allocated to mutual funds:

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Provided further that in addition to five per cent. allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

For further details, please refer chapter titled **“Offer Procedure”** beginning on page 309 of this Draft Red Herring Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with ***“Restated Financial Statements”*** and ***“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** beginning on pages 203, and 241 respectively of this Draft Red Herring Prospectus.

*[The Remainder of this Page has intentionally been left blank]*



(Rs. in Lakhs, unless otherwise stated)

Restated Statement of Assets and Liabilities		As at March 31,2024	As at March 31,2023	As at March 31,2022
	Note No.			
<b>I. EQUITY AND LIABILITIES</b>				
<b>Shareholder's funds</b>				
Share Capital	3	1,844.09	1,844.09	1,761.23
Reserves and Surplus	4	1,968.16	1,438.78	908.79
		<b>3,812.25</b>	<b>3,282.87</b>	<b>2,670.02</b>
<b>Non-current liabilities</b>				
Long Term Borrowings	5	6,692.08	6,693.27	4,728.10
Long Term Provisions	6	231.30	242.75	451.51
		<b>6,923.38</b>	<b>6,936.02</b>	<b>5,179.61</b>
<b>Current Liabilities</b>				
Short Term Borrowings	7	11,407.91	9,104.84	7,343.85
Trade Payables	8			
MSME		1.58	-	-
Others		26.97	21.44	22.75
Other Current Liabilities	9	385.89	319.68	196.66
Short-Term Provisions	10	261.10	110.52	16.28
		<b>12,083.45</b>	<b>9,556.48</b>	<b>7,579.54</b>
<b>Total</b>		<b>22,819.08</b>	<b>19,775.37</b>	<b>15,429.17</b>
<b>II. ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant & Equipment	11	69.81	51.46	47.51
Intangible Assets	11	2.35	5.21	8.98
Intangible Assets Under Development	11	-	-	1.80
Non-Current Investment	12	-	96.97	-
Deferred Tax Assets	13	118.86	93.55	119.63
Loan Portfolio	14	5,492.03	5,986.17	4,450.83
Other Non Current Assets	15	908.14	559.58	310.00
		<b>6,591.19</b>	<b>6,792.94</b>	<b>4,938.75</b>
<b>Current Assets</b>				
Current Investment	16	-	69.26	110.40
Trade Receivables	17	244.22	106.30	167.28
Cash And Cash Equivalents	18	2,903.95	923.07	683.88
Loan Portfolio	14	12,081.78	11,185.76	8,912.54
Short Term Loan And Advances	19	54.84	59.86	60.29
Other Current Assets	20	943.10	638.18	556.03
		<b>16,227.89</b>	<b>12,982.43</b>	<b>10,490.42</b>
<b>Total</b>		<b>22,819.08</b>	<b>19,775.37</b>	<b>15,429.17</b>
<b>Significant accounting policies and notes on accounts</b>	1-42	-	-	-

The accompanying notes form an integral part of the restated financial statements

for **R Gopal & Associates**  
Chartered Accountants  
ICAI FRN: 000846C

For and on behalf of Board of Directors of  
**Mitrata Inclusive Financial Services Ltd.**  
(Formerly Known as Mitrata Inclusive Financial Services Private Limited)

Sd/-  
**CA S. K. Agarwal**  
M. No: 093209

Sd/-  
**Aqueel Ahmed Khan**  
Managing Director  
DIN: 01069477

Sd/-  
**Prabhakar Rawat**  
Whole Time Director  
DIN: 08058695

Partner  
**Gurugram | August 5, 2024**

Sd/-  
**Shalu Gupta**  
Company Secretary and Compliance Officer  
M.No. A58123

Sd/-  
**Sumit Mittal**  
Chief Financial Officer

(Rs. in Lakhs, unless otherwise stated)

Restated Statement of Profit and loss		For the year ended March 31, 2024	For the year ended March 31,2023	For the year ended March 31,2022
	Note No.			
<b>REVENUE:</b>				
Revenue From Operations	21	5,348.27	4,151.76	3,145.07
Other Income	22	75.58	76.98	42.29
<b>Total Income</b>		<b>5,423.85</b>	<b>4,228.74</b>	<b>3,187.36</b>
<b>EXPENSES:</b>				
Employee Benefits Expense	23	1,741.33	1,489.67	1,185.66
Finance Costs	24	2,267.64	1,667.22	1,309.74
Provisions and Write Off	25	166.92	87.38	336.31
Depreciation and Amortization Expense	11	36.73	34.75	36.63
Other Expenses	26	494.92	412.11	309.48
<b>Total expenses</b>		<b>4,707.54</b>	<b>3,691.13</b>	<b>3,177.82</b>
<b>Profit Before Tax</b>		<b>716.31</b>	<b>537.61</b>	<b>9.54</b>
<b>Tax Expenses</b>				
Income Tax (Current Year)		191.53	98.88	71.98
Income Tax (Earlier Year)		-	-	-
Deferred Tax		(25.31)	26.08	(74.23)
<b>Profit for the Year</b>		<b>550.09</b>	<b>412.65</b>	<b>11.79</b>
<b>Earnings per Equity Share of Rs 10 Each</b>	27			
- Basic		21.35	16.01	0.52
- Diluted		2.98	2.29	0.07

**Significant accounting policies and notes on accounts**

1-42

*The accompanying notes form an integral part of the restated financial statements*

**for R Gopal & Associates**  
Chartered Accountants  
ICAI FRN: 000846C

For and on behalf of Board of Directors of  
**Mitrata Inclusive Financial Services Ltd.**  
(Formerly Known as Mitrata Inclusive Financial Services Private Limited)

Sd/-

**CA S. K. Agarwal**  
M. No: 093209  
Partner

Sd/-

**Aqueel Ahmed Khan**  
Managing Director  
DIN: 01069477

Sd/-

**Prabhakar Rawat**  
Whole Time Director  
DIN: 08058695

**Gurugram | August 5, 2024**

Sd/-

**Shalu Gupta**  
Company Secretary and Compliance Officer  
M.No. A58123

Sd/-

**Sumit Mittal**  
Chief Financial Officer

Restated Statement of Cash flows	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit before taxation	716.31	537.61	9.54
<i>Adjustment for Non- cash (income) / expenditure:</i>			
Depreciation and amortization expense	36.73	34.75	36.63
Provision / (reversal) on portfolio	131.09	(210.22)	292.05
Contingent Provision / (reversal) on portfolio	(41.54)	84.94	-
Profit on Sale of units of Liquid funds	(55.34)	(43.59)	(14.66)
Interest on fixed deposits	(14.23)	(27.92)	(24.14)
(Profit)/Loss on discarded/sale of assets	(0.02)	0.17	0.07
<b>Operating profit before changes in operating assets</b>	<b>773.00</b>	<b>375.74</b>	<b>299.49</b>
<i>Adjustments for:</i>			
(Increase)/ decrease in other current assets	(290.69)	(56.21)	(335.13)
(Increase)/ decrease in short term loans and advances	(5.98)	(11.19)	-
(Increase)/ decrease in other non-current assets	(348.56)	(247.60)	172.14
(Increase)/ decrease in trade receivable	(137.92)	60.97	(25.24)
(Increase)/ decrease in loans portfolio	(401.89)	(3,808.56)	(5,064.65)
(Decrease)/increase in trade payables	7.11	(1.31)	(23.92)
(Decrease)/increase in long term provisions	8.04	5.99	2.53
(Decrease)/increase in short term provisions	17.68	4.77	5.02
(Decrease)/increase in other current liabilities	66.20	123.03	2.60
<b>Net cash generated from operating activities before tax</b>	<b>(313.01)</b>	<b>(3,554.37)</b>	<b>(4,967.16)</b>
<b>Less: Income tax (net of refund)</b>	<b>(156.70)</b>	<b>(87.27)</b>	<b>(72.73)</b>
<b>Net cash generated from operating activities after tax (A)</b>	<b>(469.71)</b>	<b>(3,641.64)</b>	<b>(5,039.89)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of Property, Plant & Equipment	(52.49)	(31.59)	(28.64)
Sale of Property, Plant & Equipment	0.31	0.19	-
Purchase of Intangible assets including under development	-	(1.88)	(6.71)
(Purchase)/ Sale of mutual fund (net)	55.34	43.59	164.66
(Purchase)/Sale of Current Investment (net)	69.26	41.14	27.22
(Purchase)/Sale of Non Current Investment (net)	96.97	(96.97)	-
<b>Net cash flow from investing activities (B)</b>	<b>169.39</b>	<b>(45.52)</b>	<b>156.53</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of CCPS/Equity (including security premium)	-	200.20	155.20
Fess/expenses for increase in Authorized Share Capital	(20.70)	-	-
Proceeds from borrowings	12,684.75	12,490.00	11,500.13
Repayments of borrowings	(10,382.85)	(8,763.85)	(7,355.89)
<b>Net cash generated from financing activities (C)</b>	<b>2,281.20</b>	<b>3,926.35</b>	<b>4,299.44</b>
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)	1,980.88	239.19	(583.92)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>923.07</b>	<b>683.88</b>	<b>1,267.80</b>
<b>Cash and cash equivalents at the end of the year [refer below]</b>	<b>2,903.95</b>	<b>923.07</b>	<b>683.88</b>
<b>Components of cash and cash equivalents:</b>			
Cash and cash equivalents	2,701.95	722.07	182.88
Other Bank balances	202.00	201.00	501.00
<b>Cash and cash equivalents considered for cash flow</b>	<b>2,903.95</b>	<b>923.07</b>	<b>683.88</b>
<b>Significant accounting policies and notes on accounts</b>	<b>1-42</b>		

The above Cash flow statement has been prepared under the indirect method as set out AS 3 'Statement of Cash Flows'.

The accompanying notes form an integral part of the restated financial statements

for **R Gopal & Associates**  
Chartered Accountants  
ICAI FRN: 000846C

For and on behalf of Board of Directors of  
**Mitrata Inclusive Financial Services Ltd.**  
(Formerly Known as Mitrata Inclusive Financial Services Private Limited)

Sd/-

**CA S. K. Agarwal**  
M. No: 093209  
Partner

Sd/-  
**Aqueel Ahmed Khan**  
Managing Director  
DIN: 01069477

Sd/-  
**Prabhakar Rawat**  
Whole Time Director  
DIN: 08058695

Gurugram | August 5, 2024

Sd/-  
**Shalu Gupta**  
Company Secretary and Compliance Officer  
M.No. A58123

Sd/-  
**Sumit Mittal**  
Chief Financial Officer

## GENERAL INFORMATION

Our Company was originally incorporated as a private company in the name and style of “*Sona Finance Private Limited*” under the erstwhile Companies Act, 1956 vide certificate of incorporation dated May 13, 1985 issued by Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to “*Mitrata Inclusive Financial Services Private Limited*” pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary general meeting held on October 23, 2018. The Registrar of Companies, Delhi issued a fresh certificate of incorporation dated December 20, 2018, upon change of the name of the Company. Our Company was then converted from a private limited company to a public limited company, pursuant to a resolution passed in the Extraordinary General Meeting of our members held on February 09, 2024, and consequently, the name of our Company was changed to “*Mitrata Inclusive Financial Services Limited*”, and a fresh certificate of incorporation consequent upon conversion from a private company to the public company dated July 08, 2024, was issued by the Registrar of Companies, Delhi.

For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page 178 of this Draft Red Herring Prospectus.

### Registered Office of our Company

Office No. 223, 2<sup>nd</sup> Floor,

Vardhman Dwarka Dheesh, Plot No 3,

Sec-10, Dwarka, New Delhi - 110075.

**Tel No:** +91 11 4507 3550

**Email:** [compliance@mitrata.in](mailto:compliance@mitrata.in)

**Website:** [www.mitrata.in](http://www.mitrata.in)

### Corporate Office of our Company

V29/11 A, DLF Phase III,

Gurugram, Haryana - 122010.

**Tel No:** +91 012 4506 1961

**Email:** [compliance@mitrata.in](mailto:compliance@mitrata.in)

**Website:** [www.mitrata.in](http://www.mitrata.in)

### Corporate Identity Number and Registration Number

**Corporate Identification Number:** U74899DL1985PLC020900

**Registration Number:** 020900

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Delhi located at the following address:

Registrar of Companies, 4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019.

## BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors as set forth in the following table: -

Name	DIN	Designation	Address
Dr. Aqueel Ahmed Khan	01069477	Chairman and Managing Director	V 12/3, DLF Phase 3, Near DLF Police Station, Nathupur (67), Gurgaon, Haryana - 122002
Prabhakar Rawat	08058695	Whole-Time Director	V 12/3, 1 <sup>st</sup> Floor, DLF Phase 3, Nathupur (67), Gurgaon, Haryana - 122002
Mohandas Dasari	05105936	Non-Executive Independent Director	Flat 1102, C wing, Atelier Building, Rustomjee Urbania, Near Saket Complex, Majiwada, Thane, Kasarvadavali, Maharashtra - 400601

Mathew Titus	00159636	Non-Executive Independent Director	2163, D-2, Vasantkunj, South West Delhi, Delhi - 110070
Everardus Mauritius Trudo Ludding	10049475	Non-Executive Independent Director	Rozengaarderweg 12, 7416 BN Deventer
Achla Savyasaachi	10671226	Non-Executive Independent Director	B-802, Amarapali Sapphire, Sector 45, Noida, Gautam Buddha Nagar - 201301

#### **CHIEF FINANCIAL OFFICER**

##### **SUMIT MITTAL**

Office No. 223, 2<sup>nd</sup> Floor,  
Vardhman Dwarka Dheesh, Plot No 3,  
Sec-10, Dwarka, New Delhi - 110075.

**Tel No:** +91 11 4507 3550

**Email:** [compliance@mitrata.in](mailto:compliance@mitrata.in)

**Website:** [www.mitrata.in](http://www.mitrata.in)

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

##### **SHALU GUPTA**

Office No. 223, 2<sup>nd</sup> Floor,  
Vardhman Dwarka Dheesh, Plot No 3,  
Sec-10, Dwarka, New Delhi-110075.

**Tel No:** +91 11 4507 3550

**Email:** [compliance@mitrata.in](mailto:compliance@mitrata.in)

**Website:** [www.mitrata.in](http://www.mitrata.in)

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

#### **INVESTOR GRIEVANCES**

All Issue related grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, Application Form Number, Applicant's DP ID, Client ID, UPI ID, PAN, date of the Application Form, address of the Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Applicants who make the payment of Application amount thorough the UPI Mechanism), date of Application Form, and the name and address of the Designated Intermediary(ies) where the ASBA Form was submitted by the ASBA Applicant. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances relating to Application submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any Applicants whose Application 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. In terms of 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 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and EBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SCSBs are required to

compensate the investor immediately on the receipt of complaint. Further, the post offer Book Running Lead Manager is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

**Details of Key Intermediaries pertaining to this Issue and our Company:**

BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
<b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3 <sup>rd</sup> Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India <b>Tel No:</b> +91 8104985249 <b>Contact Person:</b> Saipan Sanghvi <b>Email Id:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	<b>LINK INTIME INDIA PRIVATE LIMITED</b> C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India <b>Tel No:</b> +91 8108114949 <b>E-mail Id:</b> <a href="mailto:mitrata.ipo@linkintime.co.in">mitrata.ipo@linkintime.co.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mitrata.ipo@linkintime.co.in">mitrata.ipo@linkintime.co.in</a> <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration Number:</b> INR000004058
LEGAL ADVISOR TO THE OFFER	BANKERS TO THE ISSUE / REFUND BANK /SPONSOR BANK ^
<b>VIDHIGYA ASSOCIATES<sup>#</sup></b> 501, 5 <sup>th</sup> Floor, Jeevan Sahakar Building, Sir P M Road, Homji Street Fort, Mumbai – 400 001, Maharashtra, India <b>Tel No:</b> +91 8424030160 <b>E-mail Id:</b> <a href="mailto:rahul@vidhigyaaassociates.com">rahul@vidhigyaaassociates.com</a> <b>Contact Person:</b> Rahul Pandey	[ ● ] Address: [ ● ] <b>Tel No:</b> +91 [ ● ] <b>E-mail Id:</b> [ ● ] <b>Website:</b> [ ● ] <b>Contact Person:</b> [ ● ]
BANKERS TO THE COMPANY	
<b>AU SMALL FINANCE BANK LIMITED</b> 19-A Dhuleshwar Garden, Ajmer Road, Jaipur, Rajasthan Pin Code 302001 <b>Tel:</b> +91 141 4110060/61 <b>Fax:</b> +91 141 4110090 <b>Email:</b> <a href="mailto:Sumit.garg@aubank.in">Sumit.garg@aubank.in</a> <b>Website:</b> <a href="http://www.aubank.in">www.aubank.in</a> <b>Contact Person:</b> Sumit Garg	<b>BANDHAN BANK LTD.</b> Floors 12-14, Adventz Infinity BN-5, Sector V, Salt Lake City, Kolkata, West Bengal, India, 700091 <b>Email-</b> <a href="mailto:info@bandhanbank.com">info@bandhanbank.com</a> <b>Website-</b> <a href="http://www.bandhanbank.com">www.bandhanbank.com</a> <b>Contact Person-</b> Harpreet Singh (harpreet.singh2@bandhanbank.com)
BANKERS TO THE COMPANY	
<b>INDIAN OVERSEAS BANK, DLF Phase -II Branch</b> G-07, Sewa Corporate Park, M G Road Gurugram Haryana-122002 <b>Tel:</b> +91 0124-4053709 ,4053710 <b>Fax:</b> NA <b>Email:</b> <a href="mailto:iob1436@iob.in">iob1436@iob.in</a> <b>Website:</b> <a href="http://www.iob.in">www.iob.in</a> <b>Contact Person:</b> Karthik Reddy Jeamma	<b>JANA SMALL FINANCE BANK</b> The Fairway Business Park, #10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring Road, next to EGL, Challaghatta, Bengaluru – 560071 <b>Tel:</b> +91 6361310709 <b>Fax:</b> NA <b>Email:</b> <a href="mailto:swathi.v01@janabank.com">swathi.v01@janabank.com</a> <b>Website:</b> <a href="http://www.janabank.com">www.janabank.com</a> <b>Contact Person:</b> Swathi V
BANKERS TO THE COMPANY	
<b>RBL BANK LIMITED</b> Shahupuri, Kolhapur, Kolhapur - 416001 Maharashtra <b>Email:</b> <a href="mailto:customercare@rblbank.com">customercare@rblbank.com</a> <b>Website:</b> <a href="http://www.rblbank.com">www.rblbank.com</a> <b>Contact Person:</b> Abhishek Dharam	<b>STATE BANK OF INDIA</b> SME BRANCH, B-39, Connaught Circus, Middle Circle, Near Plaza Cinema, New Delhi – 110001 <b>Tel:</b> +91 011-42268544 <b>Fax:</b> NA <b>Email:</b> <a href="mailto:sbi.30203@sbi.co.in">sbi.30203@sbi.co.in</a> <b>Website:</b> <a href="http://www.sbi.co.in">www.sbi.co.in</a> <b>Contact Person:</b> Snehil Kumar
BANKERS TO THE COMPANY	
<b>UNION BANK OF INDIA</b> Jaipuriya Sunrise Plaza, Plot No. 12A, Ahinsa Khand,	<b>STATUTORY AUDITOR AND PEER REVIEW AUDITOR</b> <b>M/S R GOPAL &amp; ASSOCIATES, CHARTERED ACCOUNTANTS</b>

Indirapuram, Ghazfabad, U.P-201014 <b>Tel No:</b> +91 9137556420 <b>E-mail Id:</b> <a href="mailto:ubjn0556424@unionbankofindia.bank">ubjn0556424@unionbankofindia.bank</a> <b>Website:</b> <a href="https://unionbankofindia.co.in">https://unionbankofindia.co.in</a> <b>Contact Person:</b> Aditya Gupta	G-1, Ground Floor, South Extension – II, New Delhi - 110049 <b>Tel No:</b> 011 41649624 <b>E-mail Id:</b> <a href="mailto:sunil@rgopal.in">sunil@rgopal.in</a> <b>Website:</b> <a href="http://www.rgopal.in">www.rgopal.in</a> <b>Contact Person:</b> CA S K Agarwal <b>Firm Registration No:</b> 000846C <b>Membership No:</b> 093209 <b>Peer Review Number:</b> 016585
<b>UNDERWRITERS TO THE ISSUE^</b>	<b>MARKET MAKER TO THE ISSUE^</b>
[ ● ] Address: [ ● ] <b>Tel No:</b> +91 [ ● ] <b>E-mail Id:</b> [ ● ] <b>Website:</b> [ ● ] <b>Contact Person:</b> [ ● ]	[ ● ] Address: [ ● ] <b>Tel No:</b> +91 [ ● ] <b>E-mail Id:</b> [ ● ] <b>Website:</b> [ ● ] <b>Contact Person:</b> [ ● ]

<sup>#</sup>Legal Advisor to the Issue to the extent of Legal section.

<sup>^</sup>The Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed prior to the filing of the Red Herring Prospectus with the RoC. This portion has been intentionally left blank and will be filled in before filing of the Red Herring Prospectus with the RoC.

### Changes in the Statutory Auditor

There has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus:

### DESIGNATED INTERMEDIARIES

#### SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, Retail Individual Applicant using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, 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 and is also available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> for SCSBs and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

#### SYNDICATE SCSB BRANCHES

In relation to the Issue 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 Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any other website prescribed by SEBI from time to time.

#### REGISTERED BROKERS

Applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers who are eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI, and updated from time to time. For details on RTA, please refer



<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. The link to the list of RTAs is also provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx)? and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) respectively, as updated from time to time.

### **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and as updated from time to time.

### **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Fedex Securities Private Limited being sole Book Running Lead Manager to this Offer, all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

### **IPO GRADING**

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

### **CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

### **DEBENTURE TRUSTEES**

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

### **MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue.

### **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. R Gopal & Associates, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated August 05, 2024 and Report on Statement of Tax Benefits dated September 03, 2024 and issued by them, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 03, 2024, from Innovative Language Solutions Private Ltd., to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the translator, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

Our Company has received written consent dated August 06, 2024, from SNK & Associates, an independent practicing company secretary, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the RoC search report along with various opinions and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **GREEN SHOE OPTION**

No Green Shoe Option is contemplated under this Issue.

### **FILING OF THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS**

A soft copy of this Draft Red Herring Prospectus has been and a soft copy of the Prospectus will be filed with EMERGE Platform of NSE Limited. The Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI ICDR Regulations.

However, pursuant to Regulation 246(5), the soft copy of Prospectus shall be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus shall be filed online with the SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

### **FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES:**

A copy of the Draft 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, Delhi 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, Delhi through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do> and <https://www.mca.gov.in/content/mca/global/en/foportal/fologin.html>.

### **BOOK BUILDING PROCESS**

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 (1) of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form.

The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

For an explanation of the Book Building Process, the price discovery process and allocation, please refer to chapter titled “*Terms of the Offer*” and “*Offer Procedure*” on pages 298 and 309 of this Draft Red Herring Prospectus respectively.

### **UNDERWRITERS**

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. 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

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (₹ in Lakhs)	% of the total Issue size Underwritten
[●]	[●]*	[●]	[●]
<b>TOTAL</b>	[●]	[●]	[●]

*\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their underwriting obligations in full.

#### TYPE OF OFFER

The present Offer is considered to be 100% Book Building.

#### DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

The Market Maker Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company, Book Running Lead Manager and Market Maker.

The following Market Maker to fulfill the obligations of Market Making for this Offer:

<b>Name</b>	[●]
<b>Address</b>	[●]
<b>Tel No</b>	[●]
<b>Fax No</b>	[●]
<b>Email id</b>	[●]
<b>Website</b>	[●]
<b>Investor Grievance Id</b>	[●]
<b>Contact Person</b>	[●]
<b>SEBI Registration No</b>	[●]

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE India to fulfil the obligations of Market Making) dated [●], 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issue.

[●], registered with EMERGE Platform of NSE Limited ('NSE EMERGE') will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and as amended from time to time and the circulars issued by the NSE Limited and SEBI regarding this matter from time to time.

#### Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to Issue their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹

[●] per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, maybe revised by of National Stock Exchange of India Limited and SEBI from time to time.

4. After a period of three (3) months from the market making period, the market maker would be exempted to provide 2-way quote if the Shares of market maker in our Company reaches to upper limit. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to lower Limit the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
7. There would not be more than five Market Maker for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Maker may compete with other Market Maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
8. On the first day of the listing, there will be pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on the EMERGE Platform of NSE Limited ('NSE EMERGE')
9. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on EMERGE Platform of EMERGE Platform of NSE Limited ('NSE EMERGE') and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars
10. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
11. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The following spread will be applicable on the EMERGE Platform of NSE Limited ('NSE EMERGE') of India Limited.

Sr. No.	Market Price slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
13. The Market Maker shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
14. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Book Running Lead Manager reserve the

right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

15. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Book Running Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
16. Risk containment measures and monitoring for Market Makers: [●] will have all margins, which are applicable on the [●] etc. [●] can impose any other margins as deemed necessary from time-to- time.
17. Punitive Action in case of default by Market Makers: [●] will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership.
18. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
19. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/Stock Exchange from time to time.
20. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to 20 Crore	25%	24%
20 to 50 Crore	20%	19%
50 to 80 Crore	15%	14%
Above 80 Crore	12%	11%

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and [●] from time to time.

## WITHDRAWAL OF THE OFFER

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders, and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 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 BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking

If our Company in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with 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 (ii) the filing of the Prospectus with the RoC.

#### **MIGRATION TO MAIN BOARD**

Our Company may migrate to the Main board of Stock Exchanges from SME Exchange on a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2,500.00 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained In-Principal approval from the Main Board), our Company shall apply to Stock Exchanges for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid-up Capital of our Company is more than ₹ 1,000.00 lakhs but below ₹ 2,500.00 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligibility criteria for listing laid by the Main Board and if the same has been approved by a special resolution wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal or as per applicable provisions.

Any company desiring to migrate to the Main board from the SME Board within three years of listing on Emerge platform of NSE has to fulfil following conditions as amended:

- a. The increase in post Offer face value capital beyond ₹ 25 crore should arise only because of merger/acquisition or for expansion purposes.
- b. The Company should have a minimum turnover of ₹ 100 crore as per last audited financials and market capitalization of ₹ 100 crore.
- c. The Company should have a minimum profit before tax of ₹ 10 crore for two years out of three preceding years.
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.



## CAPITAL STRUCTURE

The Share capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to the Offer is set forth below:

*Amount (₹ in Lakhs except share data)*

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at Offer Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL <sup>(1)</sup></b>		
	<i>Equity Shares comprising:</i>		
	2,50,00,000 Equity Shares of face value of ₹ 10.00 each	2,500.00	[●]
	<i>Preference Shares comprising:</i>		
	1,70,00,000 CCPS of face value of ₹ 10.00 each	1,700.00	[●]
	<b>Total</b>	<b>4,200.00</b>	
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER (BEFORE THE OFFER AND PRIOR TO THE CONVERSION OF THE CCPS)</b>		
	<i>Equity Shares comprising:</i>		
	25,76,840 Equity Shares of face value of ₹ 10.00 each	257.68	[●]
	<i>Preference Shares comprising:</i>		
	1,58,64,109 CCPS of face value of ₹ 10.00 each	1,586.41	[●]
	<b>Total</b>	<b>1,844.09</b>	
<b>C.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER AND POST CONVERSION OF THE CCPS) <sup>(2)</sup></b>		
	1,84,40,949 Equity Shares of face value of ₹10.00 each	1,844.09	[●]
<b>D.</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS* <sup>(3)</sup></b>		
	Up to 72,00,000 Equity Shares of ₹ 10.00 each for cash at price of ₹ [●] per share	720.00	[●]
	<i>Which consist of</i>		
	Fresh Issue up to 65,07,571 Equity Shares having face value of ₹ 10.00 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share)	650.76	[●]
	Offer for Sale up to 6,92,429 Equity Shares having face value of ₹ 10.00 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share)	69.24	[●]
	<i>Of which:</i>		
	<b>Market Maker Reservation portion:</b> [●] Equity Shares of ₹ 10.00 each for cash at price of ₹ [●] reserved for allocation to Market Maker	[●]	[●]
	<b>Net Offer to the Public:</b> [●] Equity Shares of ₹ 10.00 each for cash at price of ₹ [●]/- per share	[●]	[●]
	<i>Of which: ***</i>		
	<b>Allocation to Qualified Institutional Buyers:</b> Up to [●] Equity Shares of face value of ₹ 10.00 each fully paid up for a cash price of ₹ [●]/- per Equity Share shall be available for allocation to Qualified Institutional Buyers	[●]	[●]
	<b>Allocation to Retail Individual Investor:</b> Up to [●] Equity Shares of face value of ₹ 10.00 each fully paid up for a cash price of ₹ [●]/- per Equity Share shall be available for allocation to Retail Individual Investors	[●]	[●]
	<b>Allocation to Non-Institutional Investors:</b> Up to [●] Equity Shares of face value of ₹ 10.00 each fully paid up for a cash price of ₹ [●] per Equity Share shall be available for allocation to Non-Institutional Investors	[●]	[●]



<b>E.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>	
	Up to 2,49,48,520 Equity Shares of face value of ₹ 10.00 each	2,494.85
<b>F.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>	
	Before the Offer (as on the date of this Draft Red Herring Prospectus) #	836.02
	After the Offer*	[●]

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

#As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024

(1) For details of changes in the authorised share capital of our Company since incorporation, please refer to chapter titled “**History and Certain Corporate Matters** – Amendments to the Memorandum of Association” on page 178.

(2) Prior to filing of the Red Herring Prospectus, the following outstanding CCPS will convert to a maximum of up to 1,58,64,109 Equity Shares of face value of ₹10 each, in accordance with the SEBI ICDR Regulations, in the following manner:

Outstanding CCPS as on date of this Draft Red Herring Prospectus	Maximum number of resultant Equity Shares
30,00,000 CCPS of face value ₹ 10 each	30,00,000 Equity Shares of face value of ₹10 each
80,00,000 CCPS of face value ₹ 10 each	80,00,000 Equity Shares of face value of ₹10 each
12,88,300 CCPS of face value ₹ 10 each	12,88,300 Equity Shares of face value of ₹10 each
13,73,526 Series A CCPS of face value ₹ 10 each	13,73,526 Equity Shares of face value of ₹10 each
13,73,626 Series A CCPS of face value ₹ 10 each	13,73,626 Equity Shares of face value of ₹10 each
3,43,407 Series A CCPS of face value ₹ 10 each	3,43,407 Equity Shares of face value of ₹10 each
4,85,250 CCPS of face value ₹ 10 each	4,85,250 Equity Shares of face value of ₹10 each

(3) The present Offer has been authorized pursuant to a resolution of our Board of Directors August 05, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on August 06, 2024.

(4) Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each Selling Shareholders has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “**Other Regulatory and Statutory Disclosures** – Authority for the Offer” on page 284 of this Draft Red Herring Prospectus. Our Board and our IPO Committee have taken on record the approval for the Offer for Sale by each of the Selling Shareholders, as applicable, pursuant to their resolutions dated September 03, 2024.

\*\*Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

## Notes to the Capital Structure

### 1. Details of changes in Authorized Share Capital of the Company since incorporation:

Particulars of Change	Date of Shareholders Meeting
The Authorized Share Capital of our Company is ₹ 10,00,000 consisting of 10,000 Equity Shares of face value of ₹ 100.00 each.	May 13, 1985
Increase of Authorized Share Capital from ₹10,00,000 consisting of 10,000 Equity Shares of face value of ₹ 100.00 each to ₹ 50,00,000 consisting of 50,000 Equity Shares of ₹100.00 each.	September 18, 1995*
Sub-division of each Equity Share of our Company having face value of ₹ 100.00 each into Equity Shares of ₹ 10 each. *	February 3, 2011
Increase of Authorized Share Capital from ₹50,00,000 consisting of 5,00,000 Equity Shares of ₹10.00 each to ₹1,00,00,000 consisting of 10,00,000 Equity Shares of ₹10.00 each.	
Increase of Authorized Share Capital from ₹1,00,00,000 consisting of 10,00,000 Equity Shares of ₹10.00 each to ₹3,00,00,000 consisting of 30,00,000 Equity Shares of ₹10.00 each.	September 22, 2014
Increase of Authorized Share Capital from ₹3,00,00,000 consisting of 30,00,000 Equity Shares of ₹10.00 each to ₹ 6,00,00,000 consisting of 30,00,000 Equity Shares of ₹10.00 each and 30,00,000 CCPS of ₹10.00 each.	July 7, 2016
Increase of Authorized Share Capital from ₹6,00,00,000/- consisting of 30,00,000 Equity Shares of ₹10.00 each and 30,00,000 CCPS of ₹10.00 each to ₹ 18,00,00,000/- consisting of 30,00,000 Equity Shares of ₹10.00 each and 1,50,00,000 CCPS of	July 23, 2018

Particulars of Change	Date of Shareholders Meeting
₹10.00 each.	
Increase of Authorized Share Capital from ₹18,00,00,000 consisting of 30,00,000 Equity Shares of ₹10.00 each and 1,50,00,000 CCPS of ₹10 each to ₹ 20,00,00,000 consisting of 30,00,000 Equity Shares of ₹10.00 each and 1,70,00,000 CCPS of ₹10.00 each.	September 9, 2019
Increase of Authorized Share Capital from ₹20,00,00,000 consisting of 30,00,000 Equity Shares of ₹10.00 each and 1,70,00,000 CCPS of ₹10.00 each to ₹ 42,00,00,000 consisting of 2,50,00,000 Equity Shares of ₹10.00 each and 1,70,00,000 CCPS of ₹10.00 each.	February 09, 2024

\* Certain form-filings, resolutions and other secretarial documents for certain past allotments of equity shares, increasing in authorized capital made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, or with the Ministry of Corporate Affairs at its website or with the RoC. Accordingly, we have relied on the search report dated August 06, 2024 prepared by SNK & Associates, independent practising company secretary, and certified by their certificates dated August 06, 2024 ("RoC Search Report"). For further details, please refer to chapter titled "**Risk Factors** – We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation" on page 36 and see "**Material Contracts and Documents for Inspection**" on page 367.

## 2. Equity Share capital history of our Company

The following is the history of the Equity Share Capital of our Company:

Date of Allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
May 13, 1985	20	100	100	Cash	Subscribers to MoA <sup>(i)</sup>	20	2,000
July 20, 1988*	2,833	100	100	Cash	Further allotment <sup>(ii)</sup>	2,853	2,85,300
December 28, 1991*	2,000	100	100	Cash	Further allotment <sup>(iii)</sup>	4,853	4,85,300
March 31, 1993*	2,757	100	100	Cash	Further allotment <sup>(iv)</sup>	7,610	7,61,000
September 29, 1995*	2,000	100	100	Cash	Further allotment <sup>(v)</sup>	9,610	9,61,000
March 01, 1998*	3	100	100	Cash	Further allotment <sup>(vi)</sup>	9,613	9,61,300
April 01, 1998*	920	100	100	Cash	Further allotment <sup>(vii)</sup>	10,533	10,53,300
March 01, 1999*	5,000	100	100	Cash	Further allotment <sup>(viii)</sup>	15,533	15,53,300
March 31, 1999*	9,759	100	100	Cash	Further allotment <sup>(ix)</sup>	25,292	25,29,200
December 31, 1999*	3,200	100	100	Cash	Further allotment <sup>(x)</sup>	28,492	28,49,200
March 31, 2008	11,000	100	100	Cash	Further allotment <sup>(xi)</sup>	39,492	39,49,200
Pursuant to Shareholders' resolution dated February 03, 2011, the face value of Equity Shares of our Company was subdivided from ₹ 100.00 per Equity Share to ₹ 10.00 per Equity Share. Therefore, 50,000 equity shares of our Company of face value of ₹ 100.00 each was sub-divided into 5,00,000 equity shares of face value of ₹10.00 each and after sub-division the paid-up share capital was as follows:							
Post sub-division	3,94,920	10	-	-	-	3,94,920	39,49,200
March 25, 2014	6,00,000	10	10	Cash	Preferential allotment <sup>(xii)</sup>	9,94,920	99,49,200
January 24, 2015	8,00,000	10	10	Cash	Right Issue <sup>(xiii)</sup>	17,94,920	1,79,49,200
March 7, 2015	2,05,080	10	10	Cash	Right Issue <sup>(xiv)</sup>	20,00,000	2,00,00,000
September 24, 2019	100	10	25.48	Cash	Preferential allotment <sup>(xv)</sup>	20,00,100	2,00,01,000
December 13, 2019	1,76,740	10	28.29	Cash	Private Placement <sup>(xvi)</sup>	21,76,840	2,17,68,400
December 21, 2021	4,00,000	10	39	Cash	Private Placement <sup>(xvii)</sup>	25,76,840	2,57,68,400

#On September 29, 1995, 20,000 Equity Shares were issued and these equity shares were partly paid up at the time of such allotment. Due to non-payment of the unpaid amount due and payable on allotment, these Equity Shares were fully forfeited.

\* Certain form-filings, resolutions and other secretarial documents for certain past allotments of equity shares, increasing in authorized capital made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, or with the Ministry of

Corporate Affairs at its website or with the RoC. Accordingly, we have relied on the search report dated August 06, 2024 prepared by SNK & Associates, independent practising company secretary, and certified by their certificates dated August 06, 2024 ("RoC Search Report"). For further details, please refer to chapter titled "**Risk Factors** – We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation" on page 36 and see "**Material Contracts and Documents for Inspection**" on page 367

<sup>5</sup>With respect to the untraceable corporate records and form filings in connection with the allotment (including as mentioned above), an affidavit dated September 03, 2024 has been furnished on behalf of our Company specifying the details to whom the equity shares were allotted. In the affidavit, our Company have confirmed the allotment of equity shares to the respective allottees.

- (i) Initial Subscribers to the MOA subscribed to 20 Equity Shares of face value of ₹100.00 each, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Amba Prashad Goel	10
2.	Mahadevi Goel	10
<b>Total</b>		<b>20</b>

- (ii) Further allotment of 2,833 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Amba Prasad Goel	21
2.	Mahadevi Goel	271
3.	Kamlesh Kumar Goel	1
4.	Subodh Kumar Goel	1
5.	Manoj Kumar Goel	1
6.	Alok Kumar Goel	1
7.	Sushil Kumar	70
8.	Krishan Kumar	70
9.	Shiv Kumar	70
10.	Alka Goel	70
11.	Satya Narain	70
12.	Satyabir	70
13.	Tika Ram	70
14.	Brij Mohan Lal	70
15.	Praveen Kumar	70
16.	Surender Kumar	70
17.	Pankaj Kumar	70
18.	Ram Bhaj	70
19.	Prakash Chand	70
20.	Charan Singh	70
21.	Jayanti Prasad	70
22.	Hari Ram	70
23.	Puran Mal	80
24.	Mool Chand	140
25.	Karam Chand	70
26.	Gaje Singh	70
27.	Munsi Singh	70
28.	Ram Karan Singhal	70
29.	Krishan Narain Sharma	70
30.	Rame Singh	70
31.	Bhagwat Prasad	70
32.	Jiya Lal	70
33.	Khilari Singh	70
34.	Raj Singh	70

35.	Satya Prakash Sharma	70
36.	Jaswant Singh	70
37.	Inder Pal Singh	70
38.	Mange Ram	70
39.	Sube Singh	70
40.	Kartar Singh	70
41.	Neelu Gupta	1
42.	Deepali Goel	30
43.	Shefali Goel	40
44.	Poonam Jain	5
45.	Alpika Jain	1
<b>Total</b>		<b>2,833</b>

(iii) Further allotment of 2,000 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Karona Trades Finance and Investment (P) Ltd.	2,000
<b>Total</b>		<b>2,000</b>

(iv) Further allotment of 2,757 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Subodh Kumar Goel	2,757
<b>Total</b>		<b>2,757</b>

(v) Further allotment of 2,000 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Singhal Securities Pvt. Ltd.	2,000
<b>Total</b>		<b>2,000</b>

(vi) Further allotment 3 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Rajkumar Gupta HUF	1
2.	Arun Kumar Gupta	1
3.	Amita Bansal	1
<b>Total</b>		<b>3</b>

(vii) Further allotment of 920 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Indira Rani	317
2.	Gopal Dass	317
3.	Narain Dass	285
4.	Subodh Kumar Goel	1
<b>Total</b>		<b>920</b>

(viii) Further allotment of 5,000 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	S A Portfolio Limited	5,000
<b>Total</b>		<b>5,000</b>

(ix) Further allotment of 9,759 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Shatabdi Finlease And Securities Ltd.	5,600
2.	Smt. Prakash Singh	4,159
<b>Total</b>		<b>9,759</b>

(x) Further allotment of 3,200 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Sanjeev Gupta	1,190
2.	Alka Mittal	1,550
3.	Jai Prakash Gupta	460
<b>Total</b>		<b>3,200</b>

(xi) Further allotment of 11,000 Equity Shares of face value of ₹100.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Parnami Habital Developers Ltd	8,000
2.	Archit Holding & Credit Ltd	3,000
<b>Total</b>		<b>11,000</b>

(xii) Preferential allotment of 6,00,000 Equity Shares of face value of ₹10.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	V Nagaranjan	5,00,000
2.	L.G. Ravi	50,000
3.	A.G. Sitaraman	50,000
<b>Total</b>		<b>6,00,000</b>

(xiii) Right Issue of 8,00,000 Equity Shares of face value of ₹10.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	V Nagaranjan	8,00,000
<b>Total</b>		<b>8,00,000</b>

(xiv) Right Issue of 2,05,080 Equity Shares of face value of ₹10.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Dharini Subodh Loknath	40,000
2.	V Nagaranjan	1,65,080
<b>Total</b>		<b>2,05,080</b>

(xv) Preferential allotment of 100 Equity Shares of face value of ₹10.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Farah Siddiqui	100
<b>Total</b>		<b>100</b>

(xvi) Private Placement of 1,76,740 Equity Shares of face value of ₹10.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	Sumit Mittal	1,76,740
<b>Total</b>		<b>1,76,740</b>

(xvii) Private Placement of 4,00,000 Equity Shares of face value of ₹10.00 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Equity Shares
1.	ASK Training & Learning Private Limited	4,00,000
<b>Total</b>		<b>4,00,000</b>

### 3. Preference Share Capital

a. The following is the history of the Preference Share Capital of our Company:

Date of Allotment	Number of Preference Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
August 01, 2016	30,00,000	10	10.00	Cash	Right Issue <sup>(i)</sup>	30,00,000	300,00,000
July 31, 2018	80,00,000	10	10.00	Cash	Right Issue <sup>(ii)</sup>	1,10,00,000	11,00,00,000
August 29, 2019	12,88,300	10	22.93	Cash	Right Issue <sup>(iii)</sup>	1,22,88,300	12,28,83,000
September 24, 2019	13,73,526	10	25.48	Cash	Preferential allotment <sup>(iv)</sup>	1,36,61,826	13,66,18,260
November 26, 2019	13,73,626	10	25.48	Cash	Private Placement <sup>(v)</sup>	1,50,35,452	15,03,54,520
July 12, 2022	3,43,407	10	NA	Other than Cash	Bonus Issue <sup>(vi)</sup>	1,53,78,859	15,37,88,590
January 25, 2023	4,85,250	10	41.35	Cash	Right Issue <sup>(vii)</sup>	1,58,64,109	15,86,41,090

(i) Right Issue of 30,00,000 CCPS of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Preference Shares
1.	Dr. Aqueel Ahmed Khan	10,00,000
2.	ASK ATG Employees Reward Trust	20,00,000
<b>Total</b>		<b>30,00,000</b>

(ii) Right Issue of 80,00,000 CCPS of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Preference Shares
1.	ASK ATG Employees Reward Trust	80,00,000*
<b>Total</b>		<b>80,00,000</b>

\*Based on legal opinion obtained by the Company from SNK & Associates, Company Secretaries September 03, 2024, the Company has issued rights Equity Shares against cheque received.

(iii) Right Issue of 12,88,300 CCPS of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Preference Shares
1.	Dr. Aqueel Ahmed Khan	9,95,800
2.	Anjum Ara	2,92,500
<b>Total</b>		<b>12,88,300</b>

(iv) Preferential allotment of 13,73,526 CCPS of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Preference Shares
1.	Farah Siddiqui	13,73,526
<b>Total</b>		<b>13,73,526</b>

(v) Private Placement of 13,73,626 CCPS of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Preference Shares
1.	Farah Siddiqui	13,73,626
<b>Total</b>		<b>13,73,626</b>

(vi) Bonus Issue of 3,43,407 CCPS of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Preference Shares
1.	Farah Siddiqui	3,43,407
<b>Total</b>		<b>3,43,407</b>

(vii) Right Issue of 4,85,250 CCPS of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name	No. of Preference Shares
1.	ASK Training and Learning Private Limited	4,85,250
<b>Total</b>		<b>4,85,250</b>

#### 4. Details of CCPS

S. No	Name of the Shareholder	Date of Acquisition/Allotment	Number of Preference Shares Acquired *	Conversion Ratio (Minimum)	Number of Equity Shares to be allotted/allotted post conversion (Minimum)	Conversion Ratio (Maximum *)	Number of Equity Shares to be allotted/allotted post conversion (Maximum)	Acquisition price per preference shares (in ₹)	Estimated Price per Equity Shares (based on conversion)
1.	Farah Siddiqui	September 24, 2019	13,73,526	1:1	13,73,526	1:1	13,73,526	25.48	25.48
2.	Farah Siddiqui	November 26, 2019	13,73,626	1:1	13,73,626	1:1	13,73,626	25.48	25.48
3.	Farah Siddiqui	July 12, 2022	3,43,407	1:1	3,43,407	1:1	3,43,407	Nil	Nil
4.	Dr. Aqueel Ahmed Khan	August 01, 2016	10,00,000	1:1	10,00,000	1:1	10,00,000	10.00	10.00
5.	Dr. Aqueel Ahmed Khan	April 29, 2019	65,00,000	1:1	65,00,000	1:1	65,00,000	Nil	Nil
6.	Dr. Aqueel Ahmed Khan	August 29, 2019	9,95,800	1:1	9,95,800	1:1	9,95,800	22.93	22.93
7.	Prabhakar Rawat	April 29, 2019	22,50,000	1:1	22,50,000	1:1	22,50,000	Nil	Nil
8.	Bindiya Rawat	April 29, 2019	4,00,000	1:1	4,00,000	1:1	4,00,000	Nil	Nil
9.	Prakash Layak	April 29, 2019	3,50,000	1:1	3,50,000	1:1	3,50,000	Nil	Nil
10.	Manas Bhattacharya	April 29, 2019	2,80,000	1:1	2,80,000	1:1	2,80,000	Nil	Nil
11.	Saleem Siddiqui	April 29, 2019	70,000	1:1	70,000	1:1	70,000	Nil	Nil
12.	Asha Rai	April 29, 2019	50,000	1:1	50,000	1:1	50,000	Nil	Nil
13.	Sarojini Kanogadi	April 29, 2019	50,000	1:1	50,000	1:1	50,000	Nil	Nil
14.	Mukti Kerketta	April 29, 2019	50,000	1:1	50,000	1:1	50,000	Nil	Nil
15.	Anjum Ara	August 29, 2019	2,92,500	1:1	2,92,500	1:1	2,92,500	22.93	22.93
16.	ASK Training and Learning	January 25, 2023	4,85,250	1:1	4,85,250	1:1	4,85,250	41.35	41.35



Private Limited								
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*\*As of the date of this Draft Red Herring Prospectus, Prakash Layak, Manas Bhattacharya, Saleem Siddiqui, Asha Rai, Sarojini Kanogadi, Mukti Kerketta and Anjum Ara does not hold any Equity shares. Prior to filing of the Red Herring Prospectus, the following outstanding CCPS will convert to a maximum of up to 1,58,64,109 Equity Shares of face value of ₹10 each, in accordance with the SEBI ICDR Regulations.*

**5. Issue of Equity Shares for consideration other than cash or out of revaluation reserves**

Our Company has not issued Equity Shares for consideration other than cash since its incorporation.

**6. Issue of Preference Shares for consideration other than cash or out of revaluation reserves**

Our Company has allotted 3,43,407 CCPS of face value of ₹10 each fully paid-up for consideration other than cash since its incorporation as following:

Sr. No.	Name	No. of Preference Shares
1.	Farah Siddiqui	3,43,407
<b>Total</b>		<b>3,43,407</b>

**7. Equity Shares issued in the preceding one year below the Offer Price**

Our Company has not issued Equity Shares for price below the Offer Price.

**8. Issue of Equity Shares or Preference Shares out of revaluation reserves**

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

**9. Issue of Equity Shares pursuant to any scheme of arrangement**

Our Company has not issued any Equity Shares or Preference Shares in the past in terms of a scheme of arrangement approved under Sections 391 - 394 of the Companies Act, 1956 or Sections 230 - 234 of the Companies Act, 2013.

**10. Employee stock option schemes**

Our Company has not issued any Equity Shares or Preference Shares pursuant to the Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.

# 11. Shareholding Pattern of our Company and the Equity Shares held by them is as follows:

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Red Herring Prospectus -

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid-up equity shares held (IV)	No of partly paid-up equity shares held(V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)				No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI = VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								Number of voting Right						No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total	Total as % of (A+B+C)							
A	Promoter(s) and Promoter Group	5	24,00,000	--	--	24,00,000	93.14	24,00,000	11,92,3550	1,43,23,550	77.67	1,43,23,550	77.67	--	--	--	--	24,00,000
B	Public	8	1,76,840	--	--	1,76,840	6.86	1,76,840	39,40,559	41,17,399	22.33	41,17,399	22.33	--	--	--	--	1,76,840
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Total (A+B+C)	13	25,76,840	--	--	25,76,840	100.00	25,76,840	1,58,64,109	1,84,40,949	100.00	--	100.00	--	--	--	--	25,76,840

**Note:** (1) As on the date of this Draft Red Herring Prospectus 1 Equity Share holds 1 vote.

(2) PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.

(3) Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE EMERGE before commencement of trading of such equity shares.

(4) Prior to filing of the Red Herring Prospectus, the following outstanding CCPS will convert to a maximum of up to 1,58,64,109 Equity Shares of face value of ₹10 each, in accordance with the SEBI ICDR Regulations.

**12. The shareholding pattern of our Promoters, Promoter Group and Public before and after the Issue is set forth below:**

Particulars	Pre-Offer						Post Offer*	
	Number of Equity Shares	Percentage (%) holding	Number of CCPS****	Percentage (%) holding	Number of Equity Shares on fully diluted basis (Post Conversion of CCPS)	Percentage of the pre-offer Equity Share Capital on fully diluted basis (%) holding***	Number of Equity Shares	Percentage of Post Offer Paid-up Equity Share Capital on fully diluted basis
Dr. Aqueel Ahmed Khan	17,53,400	68.04%	84,95,800	53.55%	1,02,49,200	55.58%	[●]	[●]
Prabhakar Rawat	1,46,600	5.69%	22,50,000	14.18%	23,96,600	13.00%	[●]	[●]
ASK Training & Learning Private Limited	4,00,000	15.52%	4,85,250	3.06%	8,85,250	4.80%	[●]	[●]
<b>Total (A)</b>	<b>23,00,000</b>	<b>89.26%</b>	<b>1,12,31,050</b>	<b>70.79%</b>	<b>1,35,31,050</b>	<b>73.38%</b>	[●]	[●]
Bindiya Rawat	1,00,000	3.88%	4,00,000	2.52%	5,00,000	2.71%	[●]	[●]
Anjum Ara	-	-	2,92,500	1.84%	2,92,500	1.59%	[●]	[●]
<b>Total (B)</b>	<b>1,00,000</b>	<b>3.88%</b>	<b>6,92,500</b>	<b>4.36%</b>	<b>7,92,500</b>	<b>4.30%</b>	[●]	[●]
Prakash Layak**	-	-	3,50,000	2.21%	3,50,000	1.90%	[●]	[●]
Manas Bhattacharya	-	-	2,80,000	1.76%	2,80,000	1.52%	[●]	[●]
Mohd. Saleem Siddiqui	-	-	70,000	0.44%	70,000	0.38%	[●]	[●]
Asha Rai	-	-	50,000	0.32%	50,000	0.27%	[●]	[●]
Sarojini Kongadi	-	-	50,000	0.32%	50,000	0.27%	[●]	[●]
Mukti Kerketta	-	-	50,000	0.32%	50,000	0.27%	[●]	[●]
Farah Siddiqui**	100	0.00%	30,90,559	19.48%	30,90,659	16.76%	[●]	[●]
Sumit Mittal	1,76,740	6.86%	-	-	1,76,740	0.96%	[●]	[●]
<b>Total (C)</b>	<b>1,76,840</b>	<b>6.86%</b>	<b>39,40,559</b>	<b>24.85%</b>	<b>41,17,399</b>	<b>22.33%</b>	[●]	[●]
<b>Total (A+B+C)</b>	<b>25,76,840</b>	<b>100.00%</b>	<b>1,58,64,109</b>	<b>100.00%</b>	<b>1,84,40,949</b>	<b>100.00%</b>	[●]	[●]

\*Subject to completion of the offer and finalization of the allotment

\*\*Selling Shareholder

\*\*\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

\*\*\*\*Prior to filing of the Red Herring Prospectus, the following outstanding CCPS will convert to a maximum of up to 1,58,64,109 Equity Shares of face value of ₹10 each, in accordance with the SEBI ICDR Regulations.

**13. Except as mentioned below, none of our Key Management Personnel or Senior Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus:**

Particulars	No. of Equity Shares of face value of ₹ 10 each on fully diluted basis*	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis
Dr. Aqueel Ahmed Khan	1,02,49,200	55.58%
Prabhakar Rawat	23,96,600	13.00%
Sumit Mittal	1,76,740	0.96%
<b>Total</b>	<b>20,76,740</b>	<b>73.38%</b>

\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

#### 14. Details of shareholding of major shareholders

- i. Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Draft Red Herring Prospectus:

Particulars	No. of Equity Shares of face value of ₹ 10 each on fully diluted basis*	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis
Dr. Aqueel Ahmed Khan	1,02,49,200	55.58%
Farah Siddiqui	30,90,659	16.76%
Prabhakar Rawat	23,96,600	13.00%
ASK Training & Learning Private Limited	8,85,250	4.80%
Bindiya Rawat	5,00,000	2.71%
Prakash Layak	3,50,000	1.90%
Anjum Ara	2,92,500	1.59%
Manas Bhattacharya	2,80,000	1.52%
<b>Total</b>	<b>1,80,44,209</b>	<b>97.86%</b>

\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

- ii. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, two (2) years prior to the date of filing of this Draft Red Herring Prospectus:

Particulars	No. of Equity Shares of face value of ₹ 10 each on fully diluted basis*	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis
Dr. Aqueel Ahmed Khan	1,02,49,200	57.08%
Farah Siddiqui	30,90,659	17.21%
Prabhakar Rawat	23,96,600	13.35%
Bindiya Rawat	5,00,000	2.78%
ASK Training & Learning Private Limited	4,00,000	2.23%
Prakash Layak	3,50,000	1.95%
Anjum Ara	2,92,500	1.63%
Manas Bhattacharya	2,80,000	1.56%
<b>Total</b>	<b>1,75,58,959</b>	<b>97.79%</b>

\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

- iii. Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filing this Draft Red Herring Prospectus:

Particulars	No. of Equity Shares of face value of ₹ 10 each on fully diluted basis*	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis
Dr. Aqueel Ahmed Khan	1,02,49,200	55.58%
Farah Siddiqui	30,90,659	16.76%
Prabhakar Rawat	23,96,600	13.00%
ASK Training & Learning Private Limited	8,85,250	4.80%
Bindiya Rawat	5,00,000	2.71%
Prakash Layak	3,50,000	1.90%
Anjum Ara	2,92,500	1.59%
Manas Bhattacharya	2,80,000	1.52%
<b>Total</b>	<b>1,80,44,209</b>	<b>97.86%</b>

\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

- iv. Particulars of the shareholders holding 1% or more of the paid-up capital of our Company ten (10) days prior to the date of this Draft Red Herring Prospectus:

Particulars	No. of Equity Shares of face value of ₹ 10 each on fully diluted basis*	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis
Dr. Aqueel Ahmed Khan	1,02,49,200	55.58%
Farah Siddiqui	30,90,659	16.76%
Prabhakar Rawat	23,96,600	13.00%
ASK Training & Learning Private Limited	8,85,250	4.80%

Bindiya Rawat	5,00,000	2.71%
Prakash Layak	3,50,000	1.90%
Anjum Ara	2,92,500	1.59%
Manas Bhattacharya	2,80,000	1.52%
<b>Total</b>	<b>1,80,44,209</b>	<b>97.86%</b>

\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

#### 15. History of the Equity Share capital held by our Promoters and Promoter Group:

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold 24,00,000 Equity Shares, equivalent to 12.47% of the pre-Offer of the paid-up Share Capital of the Company.

#### Capital built-up of our Promoters and Promoter Group:

Name of the Promoter: Dr. Aqueel Ahmed Khan								
Date of Allotment / Transfer	No. of Equity Shares/ CCPS	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage (%) of pre-Offer Equity Share Capital on fully diluted basis^	Percentage (%) of Post-Offer Equity Share Capital
August 16, 2017	4,93,330	Cash	10	20	Transfer <sup>(1)</sup>	4,93,330	2.68%	[●]
September 30, 2018	12,60,070	Cash	10	20	Transfer <sup>(2)</sup>	17,53,400	6.83%	[●]
August 01, 2016	10,00,000	Cash	10	10	Right Issue	27,53,400	5.42%	[●]
April 29, 2019	65,00,000	Other than Cash	10	Nil	Transfer <sup>(3)</sup>	92,53,400	5.40%	[●]
August 29, 2019	9,95,800	Cash	10	10	Right Issue	1,02,49,200	35.25%	[●]
<b>Total</b>	<b>1,02,49,200</b>						<b>55.58%</b>	

(1) The 3,43,330 Equity Shares were transferred from Indus Knowledge ware Private Limited; 50,000 Equity Shares were transferred from A.G. Sitaraman, 50,000 Equity Shares were transferred from L.G Ravi, 40,000 Equity Shares were transferred from Dharini Subodh Loknath and 10,000 Equity Shares were transferred from K.M. Aggarwal pursuant to business acquisition.

(2) The 12,60,070 Equity Shares were transferred from Venkateshwaran Nagarajan pursuant to business acquisition.

(3) The 65,00,000 CCPS were transferred from ASK-ATG Employees Reward Trust pursuant to dissolution of Trust.

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

Name of the Promoter: Prabhakar Rawat								
Date of allotment / Transfer	No. of Equity Shares/ CCPS	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage (%) of pre-Offer Equity Share Capital on fully diluted basis^	Percentage (%) of Post-Offer Equity Share Capital
September 30, 2018	1,46,600	Cash	10	20	Transfer <sup>(1)</sup>	1,46,600	0.79%	[●]
April 29, 2019	22,50,000	Other than Cash	10	Nil	Transfer <sup>(2)</sup>	23,96,600	12.20%	[●]
<b>Total</b>	<b>23,96,600</b>						<b>13.00%</b>	

(1) The Equity Shares were transferred from Venkateshwaran Nagarajan to Prabhakar Rawat pursuant to business acquisition.

(2) The 22,50,000 CCPS were transferred from ASK-ATG Employees Reward Trust pursuant to dissolution of Trust

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

Name of the Promoter: ASK Training & Learning Private Limited								
Date of allotment / Transfer	No. of Equity Shares/ CCPS	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis^	Percentage (%) of Post- Offer Equity Share Capital
December 21, 2021	4,00,000	Cash	10	39	Allotment <sup>(1)</sup>	4,00,000	2.17%	[●]
<b>Total</b>	<b>4,00,000</b>						<b>2.17%</b>	

(1) The Equity Shares were allotted pursuant to private placement dated December 21, 2021.

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

Name of the Promoter Group: Bindiya Rawat								
Date of allotment / Transfer	No. of Equity Shares/ CCPS	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis^	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis^
September 30, 2018	1,00,000	Cash	10	20	Transfer <sup>(1)</sup>	1,00,000	0.54%	[●]
April 29, 2019	4,00,000	Other than Cash	10	Nil	Transfer <sup>(2)</sup>	5,00,000	2.17%	[●]
<b>Total</b>	<b>5,00,000</b>						<b>2.71%</b>	

(1) The 1,00,000 Equity Shares were transferred from Venkateshwaran Nagarajan to Bindiya Rawat pursuant to business acquisition.

(2) The 4,00,000 CCPS were transferred from ASK-ATG Employees Reward Trust pursuant to dissolution of Trust

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

Name of the Promoter Group: Anjum Ara								
Date of allotment / Transfer	No. of Equity Shares/ CCPS	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis^	Percentage (%) of pre- Offer Equity Share Capital on fully diluted basis^
August 29, 2019	2,92,500	Cash	10	22.93	Right Issue	2,92,500	1.59%	[●]
<b>Total</b>	<b>2,92,500</b>						<b>1.59%</b>	

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

Name of the Selling Shareholder: Farah Siddiqui								
Date of allotment / Transfer	No. of Equity Shares/CPS	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share/Preference Shares (₹)	Nature of Transaction	Cumulative No. of Equity Shares/Preference Shares	Percentage of the pre-Issue capital (in %)^	Cost of Acquisition
September 24, 2019	100	Cash	10	25.48	Allotment	1,00,000	0.00%	2,548
September 24, 2019	13,73,526	Cash	10	25.48	Allotment	13,73,626	7.45%	3,49,97,442
November 26, 2019	13,73,626	Cash	10	25.48	Allotment	27,47,252	7.45%	3,49,99,990
July 12, 2022	3,43,407	Other than Cash	10	Nil	Bonus Issue	30,90,659	1.86%	-
<b>Total</b>	<b>30,90,659</b>						<b>16.76%</b>	<b>6,99,99,981</b>

Name of the Selling Shareholder: Prakash Layak								
Date of allotment / Transfer	No. of Equity Shares/CPS	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share/Preference Shares (₹)	Nature of Transaction	Cumulative No. of Equity Shares/Preference Shares	Percentage of the pre-Issue capital (in %)^	Cost of Acquisition
April 29, 2019	3,50,000	Other than Cash	10	Nil	Transfer	3,50,000	1.90%	-
<b>Total</b>	<b>3,50,000</b>						<b>1.90%</b>	<b>-</b>

**16. We hereby confirm that:**

None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Red Herring Prospectus, except as stated in “**Capital Structure - Equity Share Capital history of our Company**” on page 84 of this Draft Red Herring Prospectus.

None of the Promoters, members of the Promoter Group, Directors and their immediate relatives has entered into any financing arrangement or financed the purchase of the Equity shares of our Company by any other person during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

**17. The average cost of acquisition of or subscription to Equity Shares by our Promoters and Promoter Group are set forth in the table below:**

Name	No. of Equity Shares of face value of ₹ 10 each on fully diluted basis <sup>#</sup>	Average Cost of Acquisition per Equity Share (in ₹) <sup>#</sup>
<b>Promoters:</b>		
Dr. Aqueel Ahmed Khan	1,02,49,200	6.63
Prabhakar Rawat	23,96,600	1.22



Name	No. of Equity Shares of face value of ₹ 10 each on fully diluted basis <sup>^</sup>	Average Cost of Acquisition per Equity Share (in ₹) <sup>#</sup>
ASK Training and Learning Pvt Ltd	8,85,250	40.29
<b>Selling Shareholders:</b>		
Farah Siddiqui	30,90,659	22.65
Prakash Layak	3,50,000	Nil

<sup>\*</sup>As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024

<sup>^</sup> Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.

#### 18. Details of Promoters contribution locked in for three (3) years:

- Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Offer Equity Share capital of our Company held by our Promoters shall be considered as promoter's contribution ("**Minimum Promoter's Contribution**") and shall be locked-in for a period of three years from the date of Allotment in this Offer.
- As on date of this Draft Red Herring Prospectus, our Promoters hold 23,00,000 Equity Shares constituting 89.26% of the pre-Offer Paid-up Equity Share Capital of our Company, which are eligible for the Promoter's Contribution.
- Our Promoters has consented to include such number of Equity Shares held by him as may constitute of the post Offer Equity Share capital of our Company as Minimum Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoter Contribution and his lock-in details are as follows\*:

Name of the Promoters	Date of Allotment/ Transfer of Equity Shares	Nature of Acquisition	No. of Equity Shares (Lock-in) <sup>^</sup>	Face Value (in ₹)	Offer/ Acquisition Price per Equity share (in ₹)	% of Pre- Offer Equity share capital	% of Post Offer Equity Share Capital	Lock in Period
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>			[•]					[•]

<sup>\*</sup>To be included in the Red Herring Prospectus. Subject to finalization of basis of allotment

<sup>^</sup>All Equity Shares were fully paid-up at the time of allotment/ transfer.

- Our Promoters have given their consent to include such number of Equity Shares held by our Promoters as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with SEBI ICDR Regulations
- The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. All the Equity Shares, which are being locked-in are not ineligible for computation of Minimum Promoters' Contribution under Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Offer.
- In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in as Minimum Promoters' Contribution do not consist of:
  - Equity Shares acquired during the three (3) years preceding the date of filing of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
  - Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being issued to the public in the Issue;

- c. The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- vii. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm;
- viii. As on the date of this Draft Red Herring Prospectus, the Equity Shares held by our Promoter is in dematerialized form.

#### **19. Equity Shares locked-in for one year other than Minimum Promoters' Contribution.**

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as Minimum Promoters' Contribution for three years, all pre-Issue equity shares constituting [●] Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Offer.

#### **20. Transferability of Locked in Equity Shares**

- a. In terms of Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by Promoter prior to the Issue and locked in as per Regulation 238 of the SEBI (ICDR) Regulations may be transferred to any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b. Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under SEBI ICDR Regulations has ended, subject to compliance with SEBI Takeover Regulations, as applicable.

#### **21. Pledge of Locked in Equity Shares**

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

- a. If the Equity Shares are locked-in in terms of clause (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of Equity Shares is one of the terms of sanction of the loan;
- b. If the Equity Shares are locked-in in terms of clause (b) of Regulation 238 of the SEBI ICDR Regulations, the pledge of Equity Shares is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the Equity Shares till the lock-in period stipulated in these regulations has expired.

#### **22. Inscription or recording of non-transferability**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" along with the specified lock- in period on the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Stock Exchange before the listing of the Equity Shares. As required under regulations of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

#### **23. Lock-in of the Equity Shares to be allotted, if any, to the Anchor Investors**

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

#### **24. As on date of this Draft Red Herring Prospectus, our Company has 13 (Thirteen) Shareholders.**

#### **25. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters / Promoter Group are subject to any pledge.**

26. Except for the outstanding CCPS that will convert into Equity Shares prior to filing the Red Herring Prospectus with the RoC, there will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares have been listed or application money unblocked on account of failure of Issue.
27. Except for any issue of Equity Shares pursuant to Fresh Issue and pursuant to conversion of outstanding CCPS into Equity Shares, our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis.
28. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy-back and/or standby and/or similar arrangements for the purchase of Equity Shares being issued through the Issue from any person.
29. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Issue shall be reported to the Stock Exchange within 24 hours of such transactions.
30. Our Promoters and the members of our Promoter Group shall not participate in this Offer.
31. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
32. No person connected with the Offer shall offer of any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the person connected with the Offer, including, but not limited to, the Book Running Lead Manager, the members of the Syndicate, our Company, Directors, Promoters and member of our Promoter Group shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash or kind or services or otherwise to any Applicant.
33. None of our BRLM and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares of face value of ₹10 each in our Company as on the date of this Draft Red Herring Prospectus.
34. The Equity Shares issued and transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares or Preference Shares as on the date of this Draft Red Herring Prospectus.
35. Our Company is in compliance with the Companies Act, 1956 and Companies Act, 2013, to the extent applicable, with respect to issuance of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus. However, the Form 2 with respect to certain allotments, Form 5 for increasing authorized capital and subdivision and annual return is neither available with the Company nor was found in the Ministry of Corporate Affairs portal during an online search by SNK & Associates, Company Secretaries. For applicable risk ***“Risk Factors - We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation”*** on page 34 and see ***“Material Contracts and Documents for Inspection”*** on page 344.
36. None of the Book Running Lead Manager and their associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus and neither related to any investors of the Company directly or indirectly.
37. Except for the outstanding CCPS that will convert into Equity Shares prior to filing the Red Herring Prospectus with the RoC, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
38. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (determined as per the definition of ‘associate Company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in advisory or investment banking transactions with our Company for which they may in the future receive customary compensation.

## SECTION - IV – PARTICULARS OF THE OFFER

### OBJECT OF THE OFFER

The Offer comprises the Fresh Issue of up to 72,00,000 Equity Shares, aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of up to 6,92,429 Equity Shares, aggregating up to ₹ [●] Lakhs by the Selling Shareholders. For details of the Selling Shareholders and their respective portion of the Offered Shares, see “*The Offer*” on page 68.

#### Offer for Sale

Each of the Selling Shareholder have confirmed and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

Name of the Selling Shareholder	Aggregate amount of Offer for Sale (₹ in Lakhs)	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization to participate in the Offer for Sale	Date of consent letter
Farah Siddiqui	[●]	6,00,000	August 05, 2024	August 06, 2024
Prakash Layak	[●]	92,429	August 05, 2024	August 06, 2024

Each Selling Shareholders shall be entitled to their respective portion of the proceeds of the Offer for Sale after deducting its respective proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details, see “*-Offer related expenses*” on page 104 of this Draft Red Herring Prospectus.

#### The Fresh Issue

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

- (i) To meet future capital requirements towards onward lending; and
  - (ii) General corporate purposes
- (referred to herein as the “*Objects*”).

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us: (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

#### Net Proceeds

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

Particulars	Estimated amount (₹ in Lakhs)
Gross Proceeds of the Fresh Issue <sup>(1)</sup>	[●]
(Less) Fresh Issue related expenses <sup>(1)</sup>	[●]
<b>Net Proceeds <sup>(1)</sup></b>	<b>[●]</b>

<sup>(1)</sup> To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

#### Proposed schedule of implementation and deployment of Net Proceeds

(₹ in Lakhs, except percentage)

S. No.	Particulars	Total estimated amount / expenditure	% of Net Proceeds	Amount to be deployed from the Net Proceeds in the Fiscal 2025
1.	To meet future capital requirements towards onward lending	Upto 1440.00	[●]	[●]
2.	General corporate purposes*	[●]	[●]	[●]
	<b>Total Net Proceeds</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

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

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, prevailing market conditions and other commercial and technical factors. The fund requirements and deployment of funds have not been appraised by any bank, or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety

of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Financial Year, as may be determined by our Company, in accordance with applicable laws.

## Details of the Objects of the Fresh Issue

### 1. To meet future capital requirements towards onward lending

As an NBFC-MFI, we are subject to regulations relating to the capital adequacy, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. As per the master direction and prudential norms issued by the RBI, we are required to maintain a minimum CRAR of 15% consisting of Tier I Capital and Tier II Capital.

The details of our Company's CRAR as at March 31, 2024, March 31, 2023 and March 31, 2022 is provided below:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
CRAR (%)	20.41%	17.27%	18.29%
Tier I Capital base (%)	19.21%	17.04%	17.99%

*\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024*

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

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Share capital	1844.09	1844.09	1761.23
Reserves and surplus	1968.16	1438.78	908.79
Intangible assets	(2.35)	(5.21)	(8.98)
Deferred tax asset-(net)	(118.86)	(93.55)	(119.63)
Others Adjustments	0	(83.12)	(8.76)

*\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024*

## Capital Adequacy

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

(₹ in Lakhs except percentages)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Tier I Capital	3691.04	3100.99	2532.64
Tier II Capital	230.07	41.82	41.24
Total capital	3921.11	3142.81	2573.88
<b>Total risk weighted assets and contingents</b>	<b>19,214.89</b>	<b>18,199.57</b>	<b>14,076.11</b>
<b>Capital adequacy ratios</b>			
Tier I Capital ratio (%)	19.21%	17.04%	17.99%
Tier II Capital ratio (%)	1.20%	0.23%	0.29%
CRAR (%)	20.41%	17.27%	18.28%

*\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024*

### Notes:

(1) Tier I Capital Ratio represents the ratio of Tier I Capital to total risk weighted assets. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI.

(2) Tier II Capital represents the ratio of Tier II Capital as a percentage of risk weighted assets. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI.

While our Company's capital adequacy ratios as at March 31, 2024, March 31, 2023 and March 31, 2022 exceeds the regulatory thresholds prescribed by the RBI, we believe that in order to grow our loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business.

We are required to maintain certain minimum capital adequacy ratio on an ongoing basis towards mitigation of unexpected risk in accordance with regulatory guidelines. The ability to grow the business comes from the sufficiency of adequate

capital cushion besides regulatory comfort of having enough margin above minimum levels. The cash being the working capital of our Bank, utilisation will be for increasing the assets which are primarily the advances and investments similar to any resources like deposits or borrowings. The Net Proceeds will increase our Tier I capital and the capital adequacy ratio will be utilised for growth in assets primarily advances and investments. Our Company proposes to utilise the Net Proceeds towards meeting the future capital requirements towards onward lending, which are expected to arise out of growth of our business and assets, including but not limited to, onward lending under our Company's lending verticals. For further details, see "**Business Overview**" on page 140.

## **2. General Corporate purposes**

Our Company proposes to deploy the balance Net Proceeds aggregating to [●] Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations, including but not limited to meeting expenses incurred in ordinary course of business such as strategic initiatives including advancement of information technology, expenses towards IT infrastructure, meeting future branch and business expansion, repayment of indebtedness from time to time, payment of salaries, meeting operating expenses and meeting general corporate exigencies and contingencies and any other business requirements, and any other purpose as maybe approved by the Board or a duly appointed committee from time to time, subject to compliance with necessary provisions of the Companies Act, 2013.

### **Means of finance**

The fund requirements set out in the aforesaid Objects are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/ or seeking additional debt from existing and/ or other lenders.

### **Offer related expenses**

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

Other than the listing fees which will be borne solely by the Company and Selling Shareholders, all Offer Expenses including, among other things, filing fees, book building fees and other charges, fees and expenses payable to the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the Indian legal counsel to the Offer and expenses of the statutory auditors (including the Statutory Auditors), independent chartered accountant, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the Book Running Lead Manager, syndicate members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and the Selling Shareholders in proportion to the number of Equity Shares issued and/or Offered Shares transferred by each of the Company and the Selling Shareholders in the Offer, respectively, except as may be prescribed by the SEBI or any other regulatory authority. All such payments shall be made by the Company in the first instance on behalf of the Selling Shareholders and the Selling Shareholders agrees that it shall reimburse the Company in proportion to the sale of its Offered Shares, for any expenses incurred by the Company on behalf of such Selling Shareholders. In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, subject to Applicable Law, all costs and expenses with respect to the Offer which may have accrued up to the date of such postponement, withdrawal, abandonment or failure shall be borne by the Company and Selling Shareholders in the manner mutually agreed between the Company and the Selling Shareholders. The Selling Shareholders agrees that it shall reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the Selling Shareholders directly from the Public Offer Account in the manner as may be set out in the Cash Escrow and Sponsor Bank Agreement.

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

Activity	Estimated expenses <sup>(1)</sup> (₹ in Lakhs)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer Size <sup>(1)</sup>
Book Running Lead Manger Fees	[●]	[●]	[●]
Fees payable to Registrars to the Offer, Legal and Other Advisory Services, Advertising and marketing Expenses, distribution, Printing and Distribution of issue stationery, Brokerage, Selling Commission for SCSB, Register Brokers, Sponsor Bank and upload fees	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Others (Fees payable for Market making, Underwriting fees, peer review auditor and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total Estimated Offer Expenses</b>	[●]	[●]	[●]

<sup>(1)</sup> Amounts will be finalised and incorporated in the Prospectus upon determination of the Offer Price. Offer expenses are estimates and are subject to change

<sup>(2)</sup> Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders, which are directly procured and uploaded by the SCSBs, would be as follows:

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

\* 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 processing fees shall be payable to the SCSBs on the applications directly procured by them.

<sup>(3)</sup> The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

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

Portion for RIBs	₹ [●] per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	₹ [●] per valid Bid cum Application Form (plus applicable taxes)

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

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

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

\* For each valid application.

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

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

<sup>(1)</sup> Selling commission on the portion for RIBs, Non-Institutional Bidders which are procured by Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

## Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Our Company, in accordance with the policies established by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of the



Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company.

#### **Bridge financing facilities**

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

#### **Appraising entity**

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

#### **Monitoring of utilization of funds**

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

#### **Variation in objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (*“Postal Ballot Notice”*) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in in all editions [●], an English national daily newspaper and all editions [●], a Hindi national daily newspaper, (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation., in accordance with the Companies Act and applicable rules. The Shareholders who do not agree to the proposal to vary the objects shall be given an exit offer, at such price, and in such manner, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

#### **Other confirmations**

Except to the extent of the proceeds received pursuant to the Offer for Sale, by two of the Selling Shareholders, Farah Siddiqui and Prakash Layak, none of our Promoter, the members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel or Group Companies will receive any portion of the Offer Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue, except as set out above.

## BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Bidders should also see “*Risk Factors*”, “*Business Overview*”, “*Summary of Financial Information*”, “*Financial Statements*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 30, 140, 70, 203 and 241, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We believe that some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- Well Diversified and Extensive Presence;
- Proven Execution Capabilities with Strong Rural Focus;
- Access to Diversified Sources of Capital and Effective Asset Liability Management;
- Robust Underwriting Process and Risk Management Policies;
- Technologically Advanced Operating Model; and
- Professional and Experienced Management Team.

For further details, see “*Business Overview – Our Strengths*” on page 143.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statement for detail please refer to chapter titled “*Restated Financial Statement*” on page 203. Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### A. Basic and Diluted Earnings per share for continuing operations (“EPS”) (face value of each Equity Share is ₹10):

Fiscal / Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2022	0.52	0.07	1
2023	16.01	2.29	2
2024	21.35	2.98	3
<b>Weighted Average for the above three Fiscals</b>	<b>16.10</b>	<b>2.27</b>	<b>-</b>

Notes:

- i) *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) *Basic Earnings per Equity Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of Equity Shares outstanding during the year / period*
- iii) *Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during the year / period*
- iv) *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.*
- v) *The figures disclosed above for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 and other relevant records of the Company are based on the Restated Financial Statement of the Company.*

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

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on Basic EPS for Fiscal 2024*	[●]	
Based on Diluted EPS for Fiscal 2024*		

\*To be updated at the Prospectus stage.

### C. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 13.37, the lowest P/E ratio is 5.11 and the average P/E ratio is 8.36.

Particulars	Industry Peer P/E*	Name of the peer company	Face value of the equity shares (₹)
Highest	13.37	Credit Access Grameen Limited	10
Lowest	5.11	Satin Creditcare Network Ltd	10
Average	8.36		

Notes: The industry high and low has been considered from the industry peer set provided below. The industry composite has been circulated as the arithmetic average P/E of the industry peer set as given below.

\*CMP of the peer group is as per the closing price as on September 02, 2024 as available on www.bseindia.com.

### D. Return on Net Worth ("RoNW")

Fiscal / Period ended	RoNW (%)	Weight
2024	14.43%	3
2023	12.57%	2
2022	0.44%	1
<b>Weighted Average for the above three Fiscals</b>	<b>11.48%</b>	-

Notes: The figures disclosed above are based on the Restated Financial Statement of the Company. Return on Net worth has been calculated as per the following formula:

- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Restated net worth at the end of the year.
- Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Financial Statements
- The figures disclosed above for financial years ended March 31, 2024, 2023 and 2022 are based on the Restated Financial Information of the Company.

### E. Net Asset Value ("NAV") per Equity Share

Fiscal / Period ended	Basic EPS (in ₹)
Net Asset Value per Equity Share as of March 31, 2022	15.12
Net Asset Value per Equity Share as of March 31, 2023	18.20
Net Asset Value per Equity Share as of March 31, 2024	20.67
After the Offer*	
- At Floor Price	●
- At Cap Price	●
At Offer Price	●

\* Offer Price per Equity Share will be determined on conclusion of the Book Building Process

Notes:

- Net Asset Value per Equity Share = Net worth as per the Restated Financial Information / Number of Equity shares outstanding as at the end of year.
- Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2024; 2023 and 2022, in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- The figures disclosed above for the financial years ended March 31, 2024, are based on the Restated Financial Statement of the Company.

For further details, please refer to chapter titled "**Restated Financial Statement**" on page 203.

### F. Comparison with Listed Industry Peers

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

Name of Company	Total income for Fiscal 2024 (₹ in Lakhs)	Face Value (₹ Per Share)	Closing price on September 02, 2024 (₹)	EPS (₹)		NAV (₹ per share)	P/E ratio	P/B ratio	RONW (%)
				Basic	Diluted				
Mitrata Inclusive Financial Services Limited*	5423.85	10	NA	21.35	2.98	20.67	NA	NA	14.43%
<b>Peer Group</b>									
Muthoot Microfin Limited	2,28,549.00	10	225.75	30.2	30.2	164.49	7.48	1.37	16.03%
CreditAccess Grameen Limited	5,17,265.00	10	1208.7	90.88	90.41	409.38	13.37	2.95	22.16%
Spandana Sphoorty Financial Limited	2,40,691.00	10	617.55	65.81	64.84	498.74	9.52	1.24	13.16%
Fusion Micro Finance Limited	2,41,242.00	10	317.60	50.3	50.11	283.06	6.34	1.12	17.74%
Satin Creditcare Network Ltd	2,05,064.82	10	214.3	43.01	41.97	242.63	5.11	0.88	15.78%

\* Financial information for Mitrata Inclusive Financial Services Limited is derived from the Restated Financial Statement for the year ended March 31, 2024.

**Notes:**

- All the financial information for listed industry peers mentioned above is on standalone basis and is sourced from the annual reports as available for the Financial Year ending March 31, 2024.
- P/E ratio is calculated as closing share price (September 02, 2024, BSE) / Diluted EPS for year ended March 31, 2024.
- P/B ratio is calculated as closing share price (September 02, 2024, BSE) / NAV per share for year ended March 31, 2024.
- Basic and Diluted EPS as reported in the annual report/financial results of the listed peer company for the year ended March 31, 2024.
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Restated net worth at the year ended March 31, 2024.
- Net asset value per equity share is computed as net worth as of the last day of the year ended March 31, 2024 divided by the outstanding number of issued and subscribed equity shares as of the last day of the year ended March 31, 2024
- Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2024, 2023 and 2022, in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

## G. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 02, 2024 and the Audit Committee has confirmed that verified and audited details of all the KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by our Statutory Auditors, M/s. R Gopal & Associates, Chartered Accountants pursuant to certificate dated September 03, 2024. This certificate has been designated as a material document for inspection in connection with the Offer. See **“Material Contracts and Documents for Inspection”** on page 367.

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to its peers.

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter on a periodic basis, at least once a year (or any lesser period as may be determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the chapter **“Objects of the Offer”** on page 102 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

Key Performance Indicators -

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loan portfolio (₹ in Lakhs) <sup>(1)</sup>	17,573.81	17,171.93	13,363.37
Period-on-period growth in gross loan portfolio (%)	2.34%	28.50%	NA
Disbursements (₹ in Lakhs) <sup>(2)</sup>	15,303.34	15,943.36	12,120.28
Average disbursements per branch (₹ in Lakhs) <sup>(3)</sup>	215.54	284.70	247.35
Number of branches	71	56	49
Average gross loan portfolio per branch (₹ in Lakhs) <sup>(4)</sup>	247.52	306.64	272.72
Average disbursements per employee (₹ in Lakhs) <sup>(5)</sup>	25.42	31.26	25.84
Period-on-period growth in disbursements (%)	(4.01%)	31.54%	NA
Number of loans disbursed (Lakhs) <sup>(6)</sup>	0.41	0.45	0.36
New customers (Lakhs) <sup>(7)</sup>	0.28	0.31	0.24
Active Customers (Lakhs) <sup>(8)</sup>	0.76	0.68	0.62
Overall digital collections (%) <sup>(9)</sup>	12.72%	9.41%	2.39%
Revenue from operations (₹ in Lakhs) <sup>(10)</sup>	5,348.27	4,151.76	3,145.07
Net interest income (₹ in Lakhs) <sup>(11)</sup>	2,011.49	1,278.11	687.11
Pre-provision operating profit (₹ in Lakhs) <sup>(12)</sup>	919.96	659.74	382.48
Net profit for the period / year (₹ in Lakhs) <sup>(13)</sup>	550.09	412.65	11.79
Net interest margin (%) <sup>(14)</sup>	11.22%	8.96%	8.06%
Cost to income ratio (%) <sup>(15)</sup>	72.59%	76.54%	81.46%
Operating expense to average total assets ratio (%) <sup>(16)</sup>	10.50%	10.80%	11.38%
Provisions and write offs to average total assets (%) <sup>(17)</sup>	0.78%	0.50%	2.56%
Debt to equity ratio <sup>(18)</sup>	4.75	4.81	4.52
Gross NPA ratio (%) <sup>(19)</sup>	1.21%	1.07%	3.56%
Net NPA ratio (%) <sup>(20)</sup>	0.18%	0.00%	0.36%
Capital to risk (weighted) assets ratio ("CRAR") (%) <sup>(21)</sup>	20.41%	17.27%	18.28%
CRAR – Tier 1 (%) <sup>(22)</sup>	19.21%	17.04%	17.99%
Net worth (₹ lakhs) <sup>(23)</sup>	3,812.25	3,282.87	2,670.02
Average yield on portfolio (%) <sup>(24)</sup>	24.83%	21.41%	20.57%
Average effective cost of borrowings (%) <sup>(25)</sup>	13.61%	12.45%	12.51%
Provision coverage ratio (%) <sup>(26)</sup>	84.94%	100.00%	89.77%
Return on average total assets (%) <sup>(27)</sup>	2.58%	2.34%	0.08%
Return on average equity (%) <sup>(28)</sup>	15.51%	13.86%	0.46%
Total number of insurance premium collected (Lakhs) <sup>(29)</sup>	1.11	1.15	0.96
Insurance premium collected (₹ in Lakhs) <sup>(30)</sup>	536.23	512.37	402.30

\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 02, 2024

Notes-

- (1) Gross loan portfolio is defined as the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of assignment and our portion outstanding as of the last day of the relevant year.
- (2) Disbursements is defined as the total amount disbursed to customers in the relevant year, pursuant to loans sanctioned.
- (3) Average disbursements per branch is defined as the aggregate of all loan amounts extended to all our customers in relevant and per branch for the relevant year.
- (4) Average gross loan portfolio per branch is defined as the ratio of total gross outstanding loan portfolio to number of branches for the relevant year.
- (5) Average disbursements per employee is defined as the total amount disbursed to customers in the relevant year per employee, pursuant to loans sanctioned.
- (6) Number of loans disbursed is defined as the total number of loans disbursed to customers during the relevant year.
- (7) New customers is defined as customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.
- (8) Active Customers is defined as customers which had an active loan account (all customers loan balance outstanding) as of the last day of the relevant period.

- (9) Overall digital collections percentage is defined as the amount recovered from our customers through digital payment methods as compared to total collections during the relevant period.
- (10) Revenue from operations is defined as our total revenue from operations as per our Restated Financial Information for the relevant period.
- (11) Net interest income is defined as our interest income on loans and advances and loan processing fees reduced by finance costs as per our Restated Financial Statements for the relevant period.
- (12) Pre-Provision Operating Profit represents difference of total income minus interest expended minus operating expenses for the relevant fiscal year except provision and depreciation.
- (13) Net profit for the period / year is defined as the profit for the year (after tax) as per our Restated Financial Information for the relevant year.
- (14) Net interest margin is defined as the ratio of our net interest income to our average annual gross loan portfolio on-book. Our average annual gross outstanding loan portfolio is the simple annual average of our gross outstanding loan portfolio for the relevant year/ period.
- (15) Cost to income ratio is defined as the ratio of operating expenses (total expenses excluding finance costs, provision and depreciation divided by revenue from operation total operating income (total income less finance costs).
- (16) Operating expense to average total assets ratio is defined as the ratio of operating expense to average total assets for the relevant year.
- (17) Provisions and write-offs to average total assets ratio is defined as the ratio calculated by dividing the total amount of provisions made for potential loan losses and loan write-offs charged to profit or loss (i.e impairment of financial instruments and net loss on fair value changes) during a specific year by the average total assets over the same year.
- (18) Debt to equity ratio is defined as the ratio of our total borrowings to our total equity attributable to shareholders as of the last day of the relevant year derived from our Restated Financial Information.
- (19) Gross NPA ratio is defined as the ratio of our Stage III assets to total outstanding loan portfolio as of the relevant year. Total outstanding loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant year, gross of Provisions.
- (20) Net NPA ratio is defined as the ratio of our Net NPA (Stage III assets less Provisions) to Outstanding Loan Portfolio as of the relevant year. Net Outstanding Loan Portfolio represents the total outstanding loan portfolio as of the last day of the relevant year.
- (21) CRAR is defined as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).
- (22) CRAR –Tier I is defined as the ratio of Tier I Capital to total risk weighted assets. Tier I Capital means Owned Fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15 per cent of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year. Owned fund means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.
- (23) Net worth is defined as our net worth as of the last date of the relevant period as per our Restated Financial Information.
- (24) Average yield on portfolio is defined as the ratio of total interest income on loans and advances to average of Net loan portfolio on book for the relevant year.
- (25) Average effective cost of borrowings is defined as the ratio of borrowing cost incurred by the company for the relevant financial year to the average of borrowings of the company for the relevant year.
- (26) Provision Coverage Ratio represents difference of GNPA and NNPA divided by GNPA as of the last day of the relevant year.
- (27) Return on average total assets is defined as the profit for the relevant year derived from our Restated Financial Information as a percentage of annual average total assets for such year.
- (28) Return on average equity is defined as the ratio of profit for the relevant year/ period to our annual average of net worth for the relevant year.
- (29) Total number of insurance premium collected is defined as the overall count of insurance premiums received from diverse customers in relation to their loan disbursements for the relevant year.
- (30) Insurance premium collected is defined as the overall sum of insurance premiums received from diverse customers in relation to their loan disbursements for the relevant year.

We have described and defined the KPIs, as applicable, in “**Definitions and Abbreviations**” starting on page 2. For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 140 and 241, respectively.

#### **H. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company**

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

performance. Some of these KPIs are not defined under Ind GAAP and are not presented in accordance with Ind GAAP. These KPIs have limitations as analytical tools.

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

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

#### ***Explanation for the KPIs***

S. No.	KPI	Explanation
1	Number of Active Borrowers	Represents the total number of borrowers with whom the Company has a lending relationship as of the last day of the relevant fiscal year/period (Excluding customers forming part of Buyout portfolio)
2	Disbursements	Represents the total amount disbursed to customers for the relevant fiscal year, pursuant to loans sanctioned.
3	Disbursements Growth (%)	Represents growth in disbursements for the relevant fiscal year/period as a percentage of disbursements for the corresponding fiscal year. During Fiscal 2024 there was some constrain of capital due to which disbursement was low as compared to Fiscal 2023.
4	Average Ticket Size on Disbursements (in INR)	Represents the ratio of aggregate of all loan amounts extended to all customers to total number of loans disbursed for the relevant fiscal year
5	Gross Loan Portfolio	Represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by the Company as of the last day of the relevant fiscal year/period, and loan assets which have been transferred by the Company by way of assignment and are outstanding as of the last day of the relevant fiscal year.
6	Gross Loan Portfolio Growth (%)	Represents growth in gross loan portfolio as of the last day of the relevant fiscal year over gross loan portfolio as of the last day of the corresponding previous fiscal year. During Fiscal 2024 there was some constrain of capital due to which disbursement was low as compared to Fiscal 2023.
7	Total Assets	Represents the total assets on the book of the company as per Restated Financial Statements as of the last day of the relevant fiscal year
8	Gross Advances	Represents the gross advances on the book of the company as per Restated Financial Statements as of the last day of the relevant fiscal year
9	Share of Top 1 state (%)	Represents the Share of Gross Loan Portfolio in the Top State as of the last day of the relevant fiscal year
10	Share of top 3 states (%)	Represents the Share of Gross Loan Portfolio in the Top 3 State as of the last day of the relevant fiscal year
11	Net Worth	Represents the aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account as per Restated Financial Statements as of the last day of the relevant fiscal year
12	Total Borrowings	Represents sum of debt securities, borrowings other than debt securities and subordinated liabilities as per Restated Financial Statements as of the last day of the relevant fiscal year
13	Capital Adequacy Ratio (%) - Tier 1	Represents Tier I Capital Adequacy Ratio (%) as stated by the company as of the last day of the relevant fiscal year
14	Capital Adequacy Ratio (%) - Tier 2	Represents Tier II Capital Adequacy Ratio (%) as stated by the company as of the last day of the relevant fiscal year
15	Capital Adequacy Ratio (%) - Total	Represents Total Capital Adequacy Ratio (%) as stated by the company as of the last day of the relevant fiscal year



16	Total Borrowings to Equity Ratio	Represents ratio of total borrowings to Networth as of the last day of the relevant fiscal year
17	Leverage (Average Total Assets to Average Net Worth)	Represents ratio of average total assets to average net worth as of the last day of the relevant fiscal year
18	Total Income	Represents sum of revenue from operations and other income as per Restated Financial Statements for the relevant fiscal year. Total income has increased in Fiscal 2024 and Fiscal 2023 due to increase in overall yield on portfolio.
19	Total Expenses	Represents sum of, fees and commission expense, impairment expense, employee benefit expense, depreciation and amortisation expense and other expenses as per Restated Financial Statements for the relevant fiscal year
20	Pre-Provisioning Profit	Represents difference of total income minus interest expended minus operating expenses as per Restated Financial Statements for the relevant fiscal year
21	Profit Before Tax	Represents Profit before tax as per Restated Financial Statements for the relevant fiscal year
22	Net Profit	Represents Profit after tax as per Restated Financial Statements for the relevant fiscal year
23	Yield on Advances (%)	Represents ratio of Interest earned on loans and advances to average of Net loan portfolio on book for the relevant fiscal year
24	Cost of Borrowing (%)	Represents ratio of Interest expended to average of deposits and borrowings for the relevant fiscal year
25	Spread (%)	Represents difference of Yield on advances and cost of borrowings for the relevant fiscal year
26	NIM (%)	Represents ratio of difference of Interest income on loans and advances and interest expended to average of gross loan portfolio on book for the relevant fiscal year. NIM has improved in last 2 Fiscals due to increase of yield on portfolio.
27	Cost to Income (%)	Represents ratio of Operating expenses to difference of total income and interest expended for the relevant fiscal year/period Operating expenses represents sum of Employee Expenses, Depreciation and Amortization expense, Fees and Commission expense and other expenses
28	Opex (%)	Represents ratio of Operating expense to average total assets for the relevant fiscal year
29	Credit cost (%)	Represents ratio of sum of Net loss on fair value changes and Impairment to average total assets for the relevant fiscal year
30	Return on average gross outstanding loan portfolio (%)	Represents ratio of Net Profit to average Gross Loan Portfolio for the relevant fiscal year
31	Return on Average Total Assets (%)	Represents ratio of Net Profit to average total assets for the relevant fiscal year
32	Return on Average Net Worth (ROE) (%)	Represents ratio of Net Profit to average net worth for the relevant fiscal year
33	Standard assets	Represents Performing Assets (Stage 1 and Stage 2) as declared by the company as of the last day of the relevant fiscal year
34	Gross NPA (%)	Represents ratio of Stage III assets to total outstanding loan portfolio as of the relevant fiscal year. Total outstanding loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by the Company as of the last day of the relevant fiscal year, gross of impairment allowance.
35	Provision Coverage Ratio (%)	Represents difference of Gross NPA and Net NPA divided by Gross NPA as of the last day of the relevant fiscal year. Provision coverage ratio in Fiscal 2024 is less as compared to Fiscal 2023 however provision was made as per regulatory guidelines issued by RBI.
36	Restructured Book as % of advances	Represents ratio of Restructured book as declared by the company to net advances as of the last day of the relevant fiscal year
37	Net NPA (%)	Represents ratio of Net NPA (Stage III assets less impairment allowance for Stage III assets) to Net Outstanding Loan Portfolio as of the last day of the relevant fiscal year. Net Outstanding Loan Portfolio represents the total outstanding loan portfolio as of the last day of the relevant fiscal year reduced by impairment allowance
38	No. of States & UT	Represents the total number of States and UTs where the company has its operations as declared by the company as of the last day of the relevant fiscal year

39	No. of districts	Represents the Total number of districts in which the Company operates as of the last day of the relevant fiscal year
40	No. of branches	Represents the total number of branches of the Company as of the last day of relevant fiscal year
41	Employees	Represents the total number of employees working in the Company as of the last day of relevant fiscal year
42	AUM/Branch	Represents ratio of Gross Loan Portfolio to number of branches as of the last day of the relevant fiscal year
43	AUM/Sales Officer	Represents ratio of Gross Loan Portfolio to number of Sales officers as of the last day of the relevant fiscal year
44	Gross Disbursements /Branch	Represents ratio of Disbursements to number of branches as of the last day of the relevant fiscal year. The average Gross disbursement per branch was less in Fiscal in 2024 due to increase in branches.
45	Gross Disbursements / Sales Officer	Represents ratio of Disbursement to number of sales officers as of the last day of the relevant fiscal year
46	Basic EPS	Represents Basic EPS as per Restated Financial Statements for the relevant fiscal year
47	Diluted EPS	Represents Diluted EPS as per Restated Financial Statements for the relevant fiscal year
48	Net Asset Value Per Equity Share	Represents the ratio of Net Worth as of the last day of the relevant fiscal year to number of Equity shares outstanding as of the last day of the relevant fiscal year.
49	Credit Rating	Represents Long Term Credit Rating as per public domain
50	Digital Collection %	Represents Digital Collection as a percentage of total collections for the relevant fiscal year. The company is increasing focus on digital collection hence digital collection is increasing in last 3 fiscal years.

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

Our Company has not made any additions or dispositions to its business during the Fiscals 2024, 2023 and 2022.

#### J. Comparison of its KPIs with Listed Industry Peers

##### 1. Muthoot Microfin Limited

Particulars Scale	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Active Borrowers	33,53,161	27,70,000.00	20,50,000.00
Number of Repeating Borrowers	NA	12,90,000	11,20,000
Number of Unique Borrowers	NA	14,90,000	9,30,000
Disbursements	1,06,616	81,045	46,470
Disbursements Growth (%)	31.55%	74.40%	76.24%
Average Ticket Size on Disbursements (in ₹)	NA	37,985	34,252
Gross Loan Portfolio	1,21,935.00	92,082.96	62,549.42
Gross Loan Portfolio Growth (%)	32.42%	47.22%	25.43%
Total Assets	1,15,902.26	85,292.0	55,914.6
Gross Advances	NA	71,987.0	46,197.3
<b>Gross Loan Portfolio Split</b>			
Share of rural portfolio (%)	NA	94.67%	95.33%
Share of Top 1 state (%)	NA	26.49%	31.16%
Share of top 3 states (%)	NA	54.81%	63.58%
<b>Capital</b>			
Net Worth	28043.53	16,258.49	13,365.79
Total Borrowings	83593.69	64,931.76	39,966.09
Capital Adequacy Ratio (%) - Tier 1	28.97%	21.87%	28.38%
Capital Adequacy Ratio (%) - Tier 2	0.00%	0.00%	0.37%
Capital Adequacy Ratio (%) – Total	28.97%	21.87%	28.75%
Total Borrowings to Equity ratio	2.98	3.99	2.99
Leverage (Average Total Assets to Average Net Worth)	4.54	4.77	4.39
<b>Profitability</b>			
Total Income	22,854.90	14,463.44	8,429.41
Total Expenses	17,036.48	12,334.74	7,782.20
Pre-Provisioning Profit	7,638.00	4,361.88	1,758.74

Profit before tax	5818.42	2,128.70	647.21
Net Profit	4495.83	1,638.89	473.98
<b>Return Ratio</b>			
Yield on Advances (%)	NA	22.28%	18.61%
Cost of Borrowing (%)	11.17%	10.47%	9.70%
Spread (%)	NA	11.81%	8.91%
NIM (%)	12.69%	12.25%	9.25%
Cost to Income (%)	45.54%	51.39%	65.02%
Opex (%)	5.97%	6.53%	6.69%
Credit cost (%)		3.16%	2.27%
Return on average Gross Outstanding Loan Portfolio (%)	4.20%	2.12%	0.84%
Return on Average Total Assets (%)	4.19%	2.32%	0.97%
Return on Average Net Worth (ROE) (%)	20.25%	11.06%	4.26%
<b>NPA / Asset Quality</b>			
Collection Efficiency (%)	98.40%	95.84%	85.75%
Standard assets	NA	6,940.88	4,066.50
SMA 0 %	NA	0.22%	2.23%
SMA 1 %	NA	0.26%	2.29%
SMA 2 %	NA	0.35%	3.43%
Gross NPA (%)	2.29%	2.97%	6.26%
Provision Coverage Ratio (%)	85.08%	79.80%	75.24%
Restructured Book as % of advances		1.70%	8.36%
Net NPA (%)	0.35%	0.60%	1.55%
<b>Distribution</b>			
Number of States & UT	19	18	16
Number of districts	353	321	281
No. of branches	1,508	1,172	905
Number of Employees	13,866	10,227	8,003
<b>Productivity</b>			
Gross Loan Portfolio/ Branch	80.86	78.57	69.12
Gross Loan Portfolio/Sales Officer	NA	14.68	11.10
Gross Disbursements/Branch	70.70	69.15	51.35
Gross Disbursements/Sales Officer	NA	12.92	8.25
<b>Earnings per share</b>			
Basic EPS (in ₹)	30.20	14.19	4.15
Diluted EPS (in ₹)	30.20	11.66	3.94
Net Asset Value Per Equity Share (in ₹)	164.49	115.97	100.24

## 2. Spandana Sphoorty Financial Limited

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>Scale</b>			
Number of Active Borrowers	NA	22,60,000	22,44,568
Number of Repeating Borrowers	NA	NA	NA
Number of Unique Borrowers	NA	NA	NA
Disbursements	100421.44	76,242.12	30,656.47
Disbursements Growth (%)	31.71%	148.70%	-49.15%
Average Ticket Size on Disbursements (in ₹)	41,921	46,256	45,025
Gross Loan Portfolio	111987.22	79,796	61,989
Gross Loan Portfolio Growth (%)	40.34%	28.73%	-19.87%
Total Assets	128695.88	91,856.44	68,636.92
Gross Advances	106405.11	76,958.11	58,956.54
<b>Gross Loan Portfolio Split</b>			
Share of rural portfolio (%)	85.00%	87.00%	82.00%
Share of Top 1 state (%)	14.08%	16.75%	18.58%
Share of top 3 states (%)	39.11%	41.19%	45.97%
<b>Capital</b>			
Net Worth	35559.9	30,431.83	30,315.32

Total Borrowings	90121.7	59,342.01	36,315.00
Capital Adequacy Ratio (%) - Tier 1	31.95%	36.87%	50.55%
Capital Adequacy Ratio (%) - Tier 2	0.00%	0.00%	0.19%
Capital Adequacy Ratio (%) - Total	31.95%	36.87%	50.74%
Total Borrowings to Equity ratio	2.53	1.95	1.20
Leverage (Average Total Assets to Average Net Worth)	3.34	2.64	2.65
<b>Profitability</b>			
Total Income	24069.1	13,944.5	13,916.0
Total Expenses	17808.9	13,762.1	13,270.1
Pre-Provisioning Profit	NA	5,180.11	5,305.05
Profit before tax	6260.2	182.5	645.9
Net Profit	4678.8	123.37	466.00
<b>Return Ratio</b>			
Yield on Advances (%)	NA	18.33%	20.57%
Cost of Borrowing (%)	NA	9.31%	11.64%
Spread (%)	NA	9.02%	8.93%
NIM (%)	NA	10.64%	10.96%
Cost to Income (%)	NA	45.44%	39.55%
Opex (%)	NA	5.38%	4.56%
Credit cost (%)	NA	6.23%	6.13%
Return on average Gross Outstanding Loan Portfolio (%)	4.88%	0.17%	0.67%
Return on Average Total Assets (%)	NA	0.15%	0.61%
Return on Average Net Worth (ROE) (%)	NA	0.41%	1.62%
<b>NPA / Asset Quality</b>			
Collection Efficiency (%)	100	103%	94%
Standard assets	NA	73,095.22	46,622.69
SMA 0 %	98.2	NA	NA
SMA 1 %	135.6	NA	NA
SMA 2 %	151.9	NA	NA
Gross NPA (%)	1.50%	2.07%	17.70%
Provision Coverage Ratio (%)	80.00%	69.57%	33.33%
Restructured Book as % of advances	NA	0.09%	9.16%
Net NPA (%)	0.32%	0.63%	11.80%
<b>Distribution</b>			
Number of States & UT	20	18	18
Number of districts	408	314	294
No. of branches	1559	1,153	1,049
Number of Employees	13097	9,674	8,379
<b>Productivity</b>			
Gross Loan Portfolio/ Branch	71.83	69.21	58.64
Gross Loan Portfolio/Sales Officer	NA	10.64	9.89
Gross Disbursements/Branch	64.41	66.12	29.95
Gross Disbursements/Sales Officer	NA	10.16	5.05
<b>Earnings per share</b>			
Basic EPS (in ₹)	65.81	1.74	7.22
Diluted EPS (in ₹)	64.84	1.74	7.20
Net Asset Value Per Equity Share (in ₹)	498.75	428.72	438.75

### 3. Satin Creditcare Network Limited

Particulars Scale	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Active Borrowers	34,70,000	25,60,000	24,50,000
Number of Repeating Borrowers	NA	NA	NA
Number of Unique Borrowers	NA	NA	NA
Disbursements	96,912.54	73,901.09	40,310.00
Disbursements Growth (%)	31.14%	83.33%	-8.26%
Average Ticket Size on Disbursements (in ₹)	47,000	42,276	42,113
Gross Loan Portfolio	1,05,928.18	79,285.25	64,090.00

Gross Loan Portfolio Growth (%)	33.60%	23.71%	-11.90%
Total Assets	1,00,831.80	76,454.0	73,754.1
Gross Advances	NA	58,030.6	52,421.2
<b>Gross Loan Portfolio Split</b>			
Share of rural portfolio (%)	NA	77.00%	74.00%
Share of Top 1 state (%)	NA	26.90%	23.70%
Share of top 3 states (%)	NA	48.10%	46.40%
<b>Capital</b>			
Net Worth	26,803.54	19,137.17	16,062.40
Total Borrowings	71,971.31	54,474.80	54,628.27
Capital Adequacy Ratio (%) - Tier 1	26.25%	25.34%	23.25%
Capital Adequacy Ratio (%) - Tier 2	1.41%	1.28%	4.59%
Capital Adequacy Ratio (%) - Total	27.66%	26.62%	27.84%
Total Borrowings to Equity ratio	3.33	2.85	3.40
Leverage (Average Total Assets to Average Net Worth)	3.86	4.27	4.92
<b>Profitability</b>			
Total Income	20,506.48	17,615.4	12,619.3
Total Expenses	14,847.99	14,205.4	12,025.7
Pre-Provisioning Profit	NA	7,432.96	2,299.70
Profit before tax	5,658.50	3,410.0	593.6
Net Profit	4,228.44	2,643.29	402.20
<b>Return Ratio</b>			
Yield on Advances (%)	NA	20.68%	19.92%
Cost of Borrowing (%)	11.30	10.56%	10.56%
Spread (%)		10.12%	9.37%
NIM (%)	11.77%	9.38%	7.80%
Cost to Income (%)	NA	37.30%	64.92%
Opex (%)	NA	5.89%	5.58%
Credit cost (%)	NA	5.36%	2.30%
Return on average Gross Outstanding Loan Portfolio (%)	4.57%	3.69%	0.59%
Return on Average Total Assets (%)	4.80%	3.52%	0.53%
Return on Average Net Worth (ROE) (%)	19.00%	15.02%	2.60%
<b>NPA / Asset Quality</b>			
Collection Efficiency (%)	NA	NA	99.70%
Standard assets	NA	56,100.83	47,776.24
SMA 0 %	NA	NA	NA
SMA 1 %	NA	NA	NA
SMA 2 %	NA	NA	NA
Gross NPA (%)	2.49%	3.28%	8.01%
Provision Coverage Ratio (%)	60.45%	54.27%	69.16%
Net NPA (%)	0.99%	1.50%	2.47%
<b>Distribution</b>			
Number of States & UT	26	24	23
Number of districts	421	384	374
No. of branches	1,393	1,078	1,029
Number of Employees	12,896	9,222	10,736
<b>Productivity</b>			
Gross Loan Portfolio/ Branch	76.04	73.55	62.28
Gross Loan Portfolio/Sales Officer	NA	12.95	9.08
Gross Disbursements/Branch	69.57	68.55	39.17
Gross Disbursements/Sales Officer	NA	12.07	5.71
<b>Earnings per share</b>			
Basic EPS (in ₹)	43.01	33.79	5.76
Diluted EPS (in ₹)	41.97	32.30	5.29
Net Asset Value Per Equity Share (in ₹)	242.63	224.6	214.1

#### 4. CreditAccess Grameen Limited

Particulars Scale	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Active Borrowers	49,18,147	42,64,269	29,22,000
Number of Repeating Borrowers	NA	NA	NA
Number of Unique Borrowers	NA	NA	NA
Disbursements	2,31,337	1,85,390	1,28,330
Disbursements Growth (%)	24.78%	44.46%	33.11%
Average Ticket Size on Disbursements (in ₹)	NA	37,965	37,576
Gross Loan Portfolio	2,67,144	2,10,310	1,37,320
Gross Loan Portfolio Growth (%)	27.02%	53.15%	21.08%
Total Assets	2,88,460.10	2,18,580.60	1,47,951.00
Gross Advances	NA	1,93,911.90	1,24,558.60
<b>Gross Loan Portfolio Split</b>			
Share of rural portfolio (%)	NA	NA	NA
Share of Top 1 state (%)	31.80%	33.20%	35.90%
Share of top 3 states (%)	72.50%	74.30%	78.20%
<b>Capital</b>			
Net Worth	65246.7	51,069.40	39,398.00
Total Borrowings	2,18,410.10	1,63,122.60	1,04,850.70
Capital Adequacy Ratio (%) - Tier 1	22.24%	22.69%	25.87%
Capital Adequacy Ratio (%) - Tier 2	0.90%	0.89%	0.67%
Capital Adequacy Ratio (%) - Total	23.13%	23.60%	26.54%
Total Borrowings to Equity ratio	3.35	3.19	2.66
Leverage (Average Total Assets to Average Net Worth)	4.36	4.05	3.63
<b>Profitability</b>			
Total Income	51726.5	35,507.60	22,912.00
Total Expenses	32334.7	24,453.70	17,785.60
Pre-Provisioning Profit	23,909.54	15,064.10	8,176.50
Profit before tax	19391.8	11,053.90	5,126.40
Net Profit	14,459.30	8,260.30	3,821.40
<b>Return Ratio</b>			
Yield on Advances (%)	NA	20.98%	19.16%
Cost of Borrowing (%)	NA	9.05%	8.18%
Spread (%)	NA	11.93%	10.97%
NIM (%)	NA	12.97%	11.56%
Cost to Income (%)	30.50%	35.57%	45.60%
Opex (%)	4.54%	4.54%	4.99%
Credit cost (%)	NA	2.19%	3.27%
Return on average Gross Outstanding Loan Portfolio (%)	6.06%	4.75%	3.05%
Return on Average Total Assets (%)	5.60%	4.51%	2.78%
Return on Average Net Worth (ROE) (%)	24.85%	18.26%	10.09%
<b>NPA / Asset Quality</b>			
Collection Efficiency (%)	98.55%	98.40%	97.00%
Standard assets	NA	1,91,548	1,20,626
SMA 0 %	NA	NA	NA
SMA 1 %	NA	NA	NA
SMA 2 %	NA	NA	NA
Gross NPA (%)	1.18%	1.21%	3.12%
Provision Coverage Ratio (%)	70.75%	71.1%	69.9%
Restructured Book as % of advances	NA	0.06%	0.56%
Net NPA (%)	0.35%	0.35%	0.94%
<b>Distribution</b>			
Number of States & UT	17	15	14
Number of districts	383	351	301
No. of branches	1967	1,786	1,164
Number of Employees	19395	16,759	11,951

<b>Productivity</b>			
Gross Loan Portfolio/ Branch	135.81	117.75	117.97
Gross Loan Portfolio/Sales Officer	20.30	13.39	16.63
Gross Disbursements/Branch	117.61	103.80	110.25
Gross Disbursements/Sales Officer	17.58	11.80	15.54
<b>Earnings per share</b>			
Basic EPS (in ₹)	90.88	52.04	22.29
Diluted EPS (in ₹)	90.41	51.81	22.20
Net Asset Value Per Equity Share (in ₹)	409.38	321	253

#### 5. Fusion Microfinance Limited

Particulars Scale	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of Active Borrowers	38,60,000	35,30,000	27,20,000
Number of Repeating Borrowers	NA	NA	NA
Number of Unique Borrowers	NA	NA	NA
Disbursements	1,02,943.50	85,961.10	61,797.80
Disbursements Growth (%)	19.76%	39.10%	66.56%
Average Ticket Size on Disbursements (in ₹ INR)	NA	37,922	35,668
Gross Loan Portfolio	1,14,760.80	92,960.00	67,860.00
Gross Loan Portfolio Growth (%)	23.45%	36.99%	46.31%
Total Assets	1,17,743.20	93,635	72,905
Gross Advances	NA	83,542	62,785
<b>Gross Loan Portfolio Split</b>			
Share of rural portfolio (%)	NA	93.00%	93.00%
Share of Top 1 state (%)	NA	NA	NA
Share of top 3 states (%)	NA	NA	NA
<b>Capital</b>			
Net Worth	28,481.50	23,219.19	13,379.00
Total Borrowings	86,159.00	67,783.99	57,758.09
Capital Adequacy Ratio (%) - Tier 1	NA	26.59%	19.93%
Capital Adequacy Ratio (%) - Tier 2	NA	1.35%	2.01%
Capital Adequacy Ratio (%) - Total	27.53%	27.94%	21.94%
Total Borrowings to Equity ratio	3.03	2.92	4.32
Leverage (Average Total Assets to Average Net Worth)	4.09	4.55	5.08
<b>Profitability</b>			
Total Income	24,124.20	17,999.7	12,013.5
Total Expenses	17,491.60	12,879.9	11,769.2
Pre-Provisioning Profit	10,281.20	7,123.53	3,931.83
Profit before tax	6,632.60	5,119.8	244.3
Net Profit	5,052.90	3,871.45	217.00
<b>Return Ratio</b>			
Yield on Advances (%)	NA	22.78%	20.56%
Cost of Borrowing (%)	NA	10.24%	9.72%
Spread (%)	NA	12.54%	10.84%
NIM (%)	11.22%	12.95%	10.26%
Cost to Income (%)	36.60%	38.44%	44.26%
Opex (%)	5.71%	5.34%	4.76%
Credit cost (%)	NA	2.41%	5.62%
Return on average Gross Outstanding Loan Portfolio (%)	NA	4.85%	0.38%
Return on Average Total Assets (%)	4.78%	4.65%	0.33%
Return on Average Net Worth (ROE) (%)	19.55%	21.16%	1.68%
<b>NPA / Asset Quality</b>			
Collection Efficiency (%)	NA	96.90%	92.32%
Standard assets	NA	80,653.21	59,201.17
SMA 0 %	NA	NA	NA



SMA 1 %	NA	NA	NA
SMA 2 %	NA	NA	NA
Gross NPA (%)	2.89%	3.46%	5.71%
Provision Coverage Ratio (%)	79.71%	74.86%	71.28%
Restructured Book as % of advances	NA	0.20%	NA
Net NPA (%)	0.60%	0.87%	1.64%
<b>Distribution</b>			
Number of States & UT	22	20	18
Number of districts	NA	385	361
No. of branches	1297	1,019	900
Number of Employees	NA	9,625	8,716
<b>Productivity</b>			
Gross Loan Portfolio/Branch	88.48	91.23	75.40
Gross Loan Portfolio/Sales Officer	NA	14.83	7.92
Gross Disbursements/Branch	79.37	84.36	68.66
Gross Disbursements/Sales Officer	NA	13.71	7.36
<b>Earnings per share</b>			
Basic EPS (in ₹)	50.3	43.29	2.67
Diluted EPS (in ₹)	50.11	43.13	2.64
Net Asset Value Per Equity Share (in ₹)	283.06	230.74	158.66

- K. Price per share of our 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 any employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the 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 (“Primary Issuances”)**

There has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on December 28, 2023 during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- L. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, members of the Promoter Group during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the 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”)**

There have been no secondary sale/ acquisition of Equity Shares, where the Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction, during the 18 months preceding the date of this Draft Red Herring Prospectus, where either 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 any employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- M. Since there are no such transactions to report under K and L, the following are the details of the price per share of our Company basis the last five primary or secondary transactions (secondary transactions where the 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 Draft Red Herring Prospectus irrespective of the size of transactions:**

Date of allotment/ transfer	Name of the allottee / transferee	Transferor	Number of Equity Shares transacted	Number of CCPS transacted	Total Number of Equity Shares (Assuming Conversion of CCPS) *	Face value of Equity shares / CCPS (₹)	Price per Equity share / CCPS	Nature of consideration	Nature of transaction	Total Cost (₹ in Lakhs)
January 25, 2023	ASK Training and Learning Private Limited	NA	-	4,85,250	4,85,250	10	41.35	Cash	Rights Issue	200.65
July 12, 2022	Farah Siddiqui	NA	-	3,43,407	3,43,407	10	NA	Other than Cash	Bonus Issue	-
December 21, 2021	ASK Training & Learning Private Limited	NA	4,00,000	-	4,00,000	10	39	Cash	Private Placement	156.00
Total (A)			4,00,000	8,28,657	12,28,657					356.65
Total Cost (₹) - (A) (₹ in Lakhs)										356.65
Total Number of Equity Shares (Assuming Conversion of CCPS) - (B) (₹ in Lakhs)										12.29
Weighted Average Cost of Acquisition (C) = (A)/(B) ^										29.03

^ As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 02, 2024

\*The above workings are assuming conversion of all outstanding CCPS. For details of the CCPS, see "Capital Structure" on page 84.

#### N. Weighted average cost of acquisition, floor price and cap price

In respect of the above transactions, set out below are the details of the weighted average cost of acquisition as compared to the Floor Price and Cap Price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share) #	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the 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	NIL	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where Promoter, members of the Promoter	NIL	[●]	[●]

Group, Promoters, Selling Shareholders, or Shareholder(s) having the right to nominate Directors on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the 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			
Note: Since there were no primary or secondary transactions of equity shares of our Company during the 18 months to report (a) and (b), the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where Promoter, members of the Promoter Group, Promoters, Selling Shareholders or shareholder(s) having 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 Draft Red Herring Prospectus irrespective of the size of the transaction, is as below:			
Last 5 primary transactions	29.03	[●] times*	[●] times*
Last 5 secondary transactions	NA	[●] times*	[●] times*

*\*To be updated at the Prospectus stage.*

*# As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 02, 2024.*

#### **O. Justification for Basis of Offer Price**

- The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors on our Board by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs for the Fiscal 2024, Fiscal 2023 and Fiscal 2022**

[●]\*

*\* To be included on finalisation of Price Band and will be updated at the Prospectus stage.*

- The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Selling Shareholders or other shareholders with the right to nominate directors on our Board by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our financial ratios for the Fiscal 2024, Fiscal 2023 and Fiscal 2022**

[●]\*

*\* To be included on finalisation of Price Band and will be updated at the Prospectus stage.*

- The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by the Selling Shareholders or other shareholders with the right to nominate directors on our Board by way of primary and secondary transactions in view of external factors, if any**

[●]

The Offer Price of ₹ [●] has been determined by our Company in consultation with the Book Running Lead Manager, on the basis of market demand from investors for Equity Shares through the Book Building Process. Bidders should read the above-mentioned information along with **“Risk Factors”**, **“Business Overview”**, **“Financial Statements”** and **“Management's Discussion and Analysis of Financial Condition and Results of Operations”** on pages 31, 140, 203 and 241, respectively, to have a more informed view.

## **STATEMENT OF TAX BENEFITS**

*[The Remainder of this Page has intentionally been left blank]*



## R. GOPAL & ASSOCIATES

### CHARTERED ACCOUNTANTS

G-1, Ground Floor, South Extension-II, New Delhi-110049

Phone : 011-41649623, 41649624, 41649626

#### STATEMENT OF SPECIAL TAX BENEFITS

#### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To

The Board of Directors

**Mitrata Inclusive Financial Services Limited**

**(Formerly Known as Mitrata Inclusive Financial Services Private Limited)**

Office No.223, 2<sup>nd</sup> Floor, Vardhman, Dwarka Dheesh,

Plot No 3, Sector 10, Dwarka, Dwarka Sec-6,

South West Delhi,

New Delhi, Delhi, India, 110075

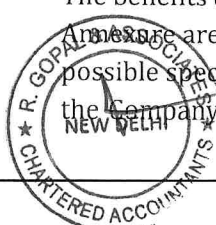
Dear Sirs,

#### **Sub: Statement of possible Special Tax Benefits available to the Company and its equity shareholders under the direct and indirect tax laws**

We refer to the proposed initial public offering of equity shares (the "**Offer**") of Mitrata Inclusive Financial Service Limited (the "**Company**"). We enclose herewith the statement (the "**Annexure**") showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including [the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended up to date and applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, 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**") (collectively the "**Taxation Laws**"), as presently in force, for inclusion in the Draft Red Herring Prospectus ("**DRHP**") / Red Herring Prospectus ("**RHP**") / Prospectus for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"). The provisions of the Income Tax Act, 1961 are proposed to be amended by the Finance (No.2) Bill, 2024 and the same would be effective only on receiving the assent of President of India. Certain key amendments as proposed by Finance (No.2) Bill 2024 are considered, in this document.

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

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. The Annexure covers only possible special direct and indirect tax benefits available and does not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to guide the



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investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

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

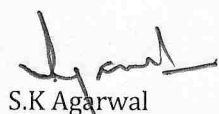
- The Company and/or its Shareholders will continue to obtain these possible special tax benefits in future;
- The conditions prescribed for availing these possible special tax benefits have been/would be met with;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company and its shareholders in the DRHP for the proposed initial public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the DRHP.

#### LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India 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. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the initial public offer relying on the statement and the Annexure. This statement has been prepared solely in connection with the proposed initial public offering of equity shares of the Company under the ICDR Regulations.

For R Gopal & Associates  
Chartered Accountants  
FRN:000846C



S.K Agarwal  
Partner

M.NO -093209

UDIN 24093209BKGEXP7418

Place: Gurugram

Date : 03.09.2024



## **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS ("SHAREHOLDERS")**

The information provided below sets out the possible special tax benefits available to **Mitrata Inclusive Financial Services Limited** (the "**Company**") and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the

Several of these benefits are dependent on the Company / Shareholders fulfilling the conditions prescribed under the relevant Taxation Laws. Hence, the ability of the Company / Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives, the Company / Shareholders / Material Subsidiary may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company / Shareholders will continue to obtain these benefits in present or future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

In view of the individual nature of the tax consequences and the changing tax laws, investors are advised to consult their own tax consultants with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising investors to invest money or not to invest money based on this statement.

The statement below covers only certain relevant direct tax benefits and indirect tax benefits and does not cover benefits under any other law.

The statements outlined below are based on the provisions of the Taxation Laws presently in force in India. The provisions of the Income Tax Act, 1961 are proposed to be amended by the Finance (No.2) Bill, 2024 and the same would be effective only on receiving the assent of President of India. Certain key amendments as proposed by Finance (No.2) Bill 2024 are considered.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.**

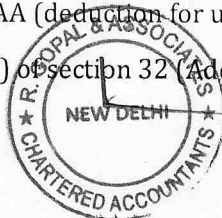
### **STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY**

#### **I. POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY**

##### **1. Lower corporate tax rate under section 115BAA of the Act:**

As per section 115BAA of the Act as inserted vide the Taxation Laws (Amendment) Act, 2019 with effect from FY 2019-20 relevant to AY 2020-21, a domestic company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus surcharge of 10% and cess). In case the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following

- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)





- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends);
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above.

In case a company opts for section 115BAA of the Act, the provisions of Minimum Alternate Tax ("MAT") under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off.

The option needs to be exercised in the prescribed manner on or before the due date of filing the income-tax return for such AY. The option once exercised shall apply to subsequent AYs and cannot be subsequently withdrawn for the same or any other AY. Further, if the conditions mentioned in section 115BAA of the Act are not satisfied in any AY, the option exercised shall become invalid in respect of such AY and subsequent AYs, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The Company has opted for the new tax regime under section 115BAA of the Act w.e.f. Assessment Year 2020-21 and in this regard has duly filed the Form 10-IC within the prescribed due date. Accordingly, the MAT provisions are not applicable to the company w.e.f. Assessment Year 2020-21.

## **2. Deductions from Gross Total Income**

### ***Deduction in respect of employment of new employees – section 80JJAA of the Act:***

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the IT Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

### ***Deduction in respect of inter-corporate dividends – section 80M of the Act:***

Up to 31 March 2020, any dividend paid to a shareholder by a company was liable to payment of Dividend Distribution Tax ("DDT") by such company, and the dividend was exempt from tax in the hands of the recipient shareholder. Pursuant to the amendment made by the Finance Act, 2020, DDT was abolished, and dividend received by a shareholder on or after 1 April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-O has been paid.

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Act, section 80M inter alia provides that where the gross total income of a domestic company in any FY includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of the said section, be allowed in computing the total income of such domestic



company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the "due date". For the purposes of the section, "due date" means the date one month prior to the date for furnishing the income-tax return under section 139(1) of the Act.

The Company is entitled to claim such deduction subject to fulfilment of conditions specified under section 80M of the Act even under the concessional regime under section 115BAA.

**Accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1)(viia) of the Act:**

The Company is a Non-Banking Financial Company ('NBFC') as defined under clause (f) of section 45-I of the Reserve NBFC of India Act, 1934 (2 of 1934) read with Explanation 4(f) to Section 43B of the Act & Explanation (vii) to Section 36(1)(viia) of the Act and hence is entitled to accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to an amount not exceeding five per cent of the total income (computed before making any deduction under this clause and Chapter VI-A) under section 36(1)(viia)(d) of the Act in computing its income under the head "Profits and gains of business or profession".

As per first proviso to section 36(1)(vii) of the Act, where the Company has claimed deduction under section 36(1)(viia) of the Act, then subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Act would be reduced to the extent of the credit balance in the provision for bad and doubtful debt claimed as per section 36(1)(viia) of the Act.

As per section 41(4) of the Act, where any deduction has been claimed by the Company in respect of a bad debt under section 36(1)(vii) of the Act, then any amount subsequently recovered on any such debt as exceeding the amount so allowed as a deduction under section 36(1)(vii) of the Act shall be deemed to be business income of the year in which it is recovered.

**II. POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

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

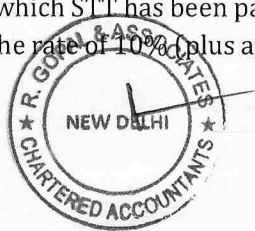
As per section 194 of the Act, the Company is required to deduct tax at source from the amount of dividend paid to shareholders, except in the case of certain categories of shareholders as specified in the said section which inter alia include individual shareholders receiving dividend not exceeding INR 5,000 (in aggregate during a FY) by any mode other than cash.

Further, as discussed above, subject to fulfillment of conditions, deduction shall be available under section 80M of the Act to domestic corporate shareholders in respect of inter-corporate dividends.

Section 2(42A) of the Act provides that securities (other than units) listed in a recognized stock exchange in India that are held for not more than 12 months immediately preceding the date of its transfer, shall constitute short-term capital assets.

As per Section 111A of the Act, short term capital gains arising from the transfer of an equity share shall be taxed at 15% (proposed to be increased to 20% by Finance (No.2) Bill 2024 for transfer on or after July 23, 2024) (plus applicable surcharge and cess) subject to fulfilment of prescribed conditions under the Act.

Further, as per section 112A of the Act, long-term capital gains exceeding INR 1,00,000 (proposed to be increased to Rs.1,25,000 by the Finance (No.2) Bill, 2024) arising from the transfer of equity shares in a company transacted through a recognized stock exchange on which STT has been paid on acquisition (except in certain situations) and on transfer, shall be chargeable to tax at the rate of 10% (plus applicable surcharge and cess) without applying the



benefit under the first and second provisos to section 48 of the Act. . However, the Finance (No.2) Bill proposes that the rate of 10% be applicable with respect to transfer done prior to July 23, 2024. For transfer done on or after July 23, 2024, the Finance (No.2) Bill, 2024, proposes that the long-term capital gain would be taxed at the rate of 12.5% without any indexation benefits.

The condition of STT shall not apply to a transfer undertaken on a recognized stock exchange located in any IFSC and where the consideration for such transaction is received or receivable in foreign currency.

Finance Act, 2023 has amended section 115BAC of the Act to provide that with effect from FY 2023-24 relevant to AY 2024-25, Individuals, HUF, Association of Persons (other than a co-operative society), Body of Individuals and Artificial Juridical Person will be taxed on its total income at the reduced tax rates ('New Tax Regime') (proposed to be reduced further by Finance (No.2) Bill 2024 with some additional deductions with effect from AY 2025-26).. The income would however have to be computed without claiming prescribed deductions or exemptions.

Such person will however have the option to be taxed on its total income as per the tax rates under the old tax regime. The option is required to be exercised – (i) on or before the due date specified under section 139(1) of the Act for furnishing the income-tax return for such AY, in case of a person having income from business or profession and such option once exercised shall apply to subsequent AYs; or (ii) along with the income-tax return to be furnished under section 139(1) of the Act for every AY in case of a person not having income from business or profession.

A person having income from business or profession who has exercised the option of shifting out of the New Tax Regime shall not be able to exercise the option of opting back to the New Tax Regime till he has business income. However, a person not having income from business or profession shall be able to exercise this option every year.

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

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax").

##### **I. POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY**

There are no special indirect tax benefits available to the Company.

##### **II. POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

There are no special indirect tax benefits available to the shareholders of the Company.

#### **NOTES:**

1. We have not considered general tax benefits available to the Company and its shareholders of the Company. The above Statement covers only certain possible special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
2. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
3. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences,



the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
5. This statement does not consider general tax benefits available to the Company.

For R Gopal & Associates  
Chartered Accountants  
FRN:000846C



A handwritten signature in black ink, appearing to read "S.K. Agarwal".

S.K Agarwal  
Partner  
M.NO -093209  
UDIN - 24093209BKGEXP7418  
Place: Gurugram  
Date : 03.09.2024

## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*Industry publications are prepared based on information as at specific dates and may no longer be current or reflect current trends. The information in this chapter is also derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the Book Running Lead Manager, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation.*

*Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see “**Presentation of Financial, Industry and Market Data**” beginning on page 22 of this Draft Red Herring Prospectus.*

### INTRODUCTION

(source - <https://www.ibef.org/economy/indian-economy-overview>)

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 295.36 lakh crores (US\$ 3.54 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-June 2025, India's exports stood at US\$ 109.11 billion, with Engineering Goods (25.35%), Petroleum Products (18.33%) and electronic goods (7.73%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### MARKET SIZE

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 173.82 lakh crores (US\$ 2.08 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 23.2 billion for the 2023-24 compared to US\$ 67.0 billion or 2.0% of GDP in the preceding year. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer

Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

## RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of July 5, 2024, India's foreign exchange reserves stood at US\$ 657.15 billion.
- In May 2024, India saw a total of US\$ 6.9 billion in PE-VC investments.
- Merchandise exports in June 2024 stood at US\$ 35.20 billion, with total merchandise exports of US\$ 109.96 billion during the period of April 2024 to June 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In June 2024, the gross Goods and Services Tax (GST) stood at highest monthly revenue collection at Rs. 1.74 lakh crore (US\$ 20.83 billion) vs Rs. 1.73 lakh crore (US\$ 20.71 billion)
- Between April 2000–March 2024, cumulative FDI equity inflows to India stood at US\$ 97 billion.
- In May 2024, the overall IIP (Index of Industrial Production) stood at 154.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 136.5, 149.7 and 229.3, respectively, in May 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.08% (Provisional) for June 2024.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January- (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

## GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.



- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry, and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.



- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Aatmanirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.

- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

## **INTRODUCTION – FINANCIAL SERVICES INDUSTRY** (source - <https://www.ibef.org/industry/financial-services-india>)

India has a diversified financial sector undergoing rapid expansion both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

## **MARKET SIZE**

- As of March 2024, AUM managed by the mutual funds industry stood at Rs. 53.40 lakh crore (US\$ 641.75 billion) Inflow in India's mutual fund schemes via systematic investment plans (SIP) from April 2023 to March 2024 stood at Rs. 2 lakh crore (US\$ 24.04 billion).
- Equity mutual funds registered a net inflow of Rs. 22.16 trillion (US\$ 294.15 billion) by end of December 2021. The net inflows were Rs. 7,303.39 crore (US\$ 888 million) in December as compared to a 21-month low of Rs. 2,258.35 crore (US\$ 274.8 million) in November 2022.
- Another crucial component of India's financial industry is the insurance industry. The insurance industry has been expanding at a fast pace. The total first-year premium of life insurance companies reached US\$ 32.04 billion in FY23. In FY23 (until December 2022) non-life insurance sector premiums reached Rs. 1.87 lakh crore (US\$ 22.5 billion).
- Furthermore, India's leading bourse, the Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform. In FY23, US\$ 7.17 billion was raised across 40 initial public offerings (IPOs). The number of companies listed on the BSE increased from 135 in 1995 to 5,357 as of March 2024.
- According to the statistics by the Futures Industry Association (FIA), a derivatives trade association, the National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for CY20.

## **INVESTMENTS/DEVELOPMENTS**

The Financial Services Industry has seen major achievements in the recent past:

- In February 2024, Unified Payments Interface (UPI) recorded 12.10 billion transactions worth Rs. 18.28 lakh crore (US\$ 220.77 billion).
- The number of transactions through immediate payment service (IMPS) reached 534.6 million (by volume) and amounted to Rs. 5.58 trillion (US\$ 68.61 billion) in February 2024.
- India's PE/VC investments were at US\$ 77 billion in 2021, which was 62% higher than in 2020.
- In 2021, Prosus acquired Indian payments giant BillDesk for US\$ 4.7 billion.
- In September 2021, eight Indian banks announced that they are rolling out—or about to roll out—a system called 'Account Aggregator' to enable consumers to consolidate all their financial data in one place.
- In September 2021, Piramal Group concluded a payment of Rs. 34,250 crore (US\$ 4.7 billion) to acquire Dewan Housing Finance Corporation (DHFL).

## GOVERNMENT INITIATIVES

Some of the major Government Initiatives are -

- In 2023, the government revamped the credit guarantee scheme. The inflow of Rs. 9,000 crore (US\$ 1,080.97 million) into the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans.
- In September 2021, the international branch of the National Payments Corporation of India (NPCI), NPCI International Payments (NIPL), has teamed with Liquid Group, a cross-border digital payments provider, to enable QR-based UPI payments to be accepted in 10 countries in north and southeast Asia.
- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial companies – micro-finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend an approach towards the development of a sustainable finance hub and provide a road map for the same.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or Internet banking access.

## ROAD AHEAD

- India's financial services industry has experienced huge growth in the past few years. This momentum is expected to continue. India's private wealth management industry shows huge potential. India is expected to have 16.57 lakh HNWIs in 2027. This will indeed lead India to be the fourth-largest private wealth market globally by 2028. India's insurance market is also expected to reach US\$ 250 billion by 2025. This will further offer India an opportunity of US\$ 78 billion in additional life insurance premiums from 2020-30.
- India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players.
- The Association of Mutual Funds in India (AMFI) is targeting a nearly five-fold growth in AUM to Rs. 95 lakh crore (US\$ 1.15 trillion) and more than three times growth in investor accounts to 130 million by 2025.
- India's mobile wallet industry is estimated to grow at a CAGR of 23.9% between 2023 and 2027 to reach US\$ 5.7 trillion.
- According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach >US\$ 5 trillion, surpassing the UK, and become the fifth-largest stock market worldwide by 2024.

## EXECUTIVE SUMMARY

### 1. GROSS SAVINGS NEAR 30.73% OF GDP

- In 2021, India's gross savings was at 29.3% of GDP amounting to US\$ 930.56 billion.
- In 2023, India's gross savings stood at 30.2% of GDP.

### 2. INDIA'S UHNWI POPULATION INCREASING TREND

- The number of Ultra High Net Worth Individuals (UHNWI) is estimated to increase from 12,069 in 2022 to 19,119 in 2027.
- India's UHNWIs are likely to expand by 58.4% in the next five years.

### 3. ROBUST AUM GROWTH

- As of February 2024, AUM managed by the mutual funds industry stood at US\$ 658.72 billion (Rs. 54.54 trillion) which is more than two-fold increase in the span of five years.
- The industry's strong AUM growth was reflected in record-high 17.78 crore folios, attracting 4.46 crore new investors.
- Mutual fund assets increased by 35% YoY, reaching a record high of Rs. 53.40 lakh crore (US\$ 641.75 billion) in FY24.

### 4. FUNDRAISING VIA IPOS ON THE RISE

- Fundraising from IPOs amounted to US\$ 7.25 billion in FY24 as of March 2024.

## ADVANTAGE INDIA

### 1. GROWING DEMAND

- Rising income is driving the demand for financial services across income brackets.
- Financial inclusion drive from the Reserve Bank of India (RBI) has expanded the target market to semi-urban and rural areas.
- Investment corpus in Indian insurance sector might rise to US\$ 1 trillion by 2025.
- With >2,100 fintechs operating currently, India is positioned to become one of the largest digital markets with rapid expansion of mobile and internet.

### 2. INNOVATION

- India benefits from a large cross-utilisation of channels to expand reach of financial services.
- Emerging digital gold investment options.
- In September 2021, eight Indian banks announced that they are rolling out—or about to roll out—a system called ‘Account Aggregator’ to enable consumers to consolidate all their financial data in one place.

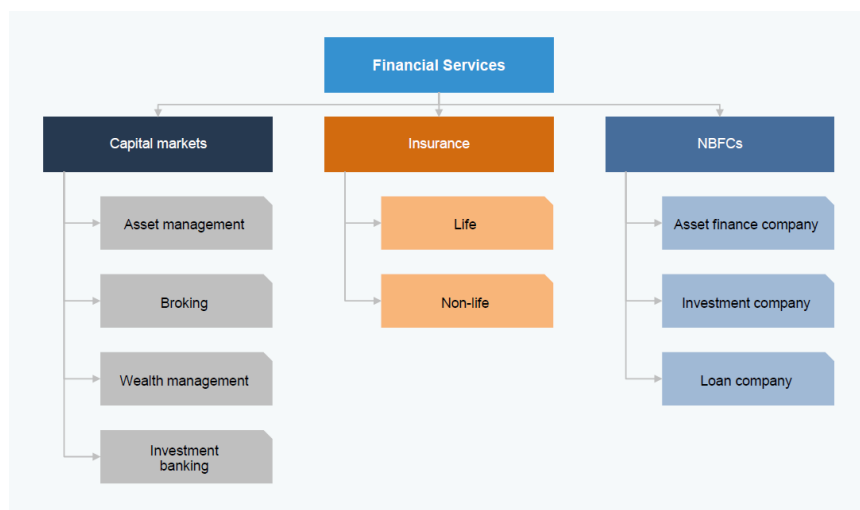
### 3. POLICY SUPPORT

- The government has approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22.
- International Financial Services Centres Authority (Banking) Regulations, 2020, are expected to drive and facilitate the constituent operations in the IFSC and help the sector reach its potential.

### 4. GROWING PENETRATION

- Credit, insurance and investment penetration is rising in rural areas.
- HNWI participation is growing in the wealth management segment.
- Lower mutual fund penetration of 5-6% reflects latent growth opportunities.

## SEGMENTS OF THE FINANCIAL SERVICES SECTOR



### NBFC: GROWING IN PROMINENCE

- Non-banking financial companies (NBFCs) are rapidly gaining prominence as intermediaries in the retail finance space
- NBFCs finance more than 80% of equipment leasing and hire purchase activities in India
- The public funds of NBFCs increased from US\$ 278.23 billion in 2016 to US\$ 470.74 billion in 2020 at a CAGR of 14.04%.
- There were 9,356 NBFCs registered with the RBI as of September, 2023.

- In December 2020, the Reserve Bank of India issued a draft circular on the declaration of dividends by NBFCs, wherein it proposed that NBFCs should have at least 15% Capital to Risk-Weighted Assets Ratio (CRAR) for the last 3 years, including the accounting year for which it proposes to declare a dividend.
- In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.
- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial companies - micro finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 29, 2021, SBI announced that it has signed an agreement with three non-banking finance company-microfinance institutions (NBFC-MFIs) for co-lending to joint liability groups (JLGs).
- On January 25, 2023, Legal and insolvency financing start-up LegalPay entered into a joint venture with Goldi Solar Group to launch Padmalaya Finserve. The NBFC plans to disburse US\$ 121 million (Rs 1,000 crore) towards legal expenses by FY24.

## **RECENT TRENDS**

### **1. INSURANCE SECTOR**

- New distribution channels such as bank assurance, online distribution and Non-Banking Financial Companies (NBFCs) have widened the reach and reduced operational costs.
- In November 2020, LIC took initiatives to facilitate quicker proposal completion by launching a digital application – ANANDA.
- India's general insurance market is expected to grow at a compound annual growth rate (CAGR) of 7.1% during 2024-2028.

### **2. MOBILE WALLETS**

- As the RBI allows more features such as unlimited fund transfer between wallets and bank accounts, mobile wallets will become strong players in the financial ecosystem.
- India's mobile wallet industry is estimated to grow at a CAGR of 23.9% between 2023 and 2027 to reach US\$ 5.7 trillion.
- In February 2024, Unified Payments Interface (UPI) recorded 12.10 billion transactions worth Rs. 18.28 lakh crore (US\$ 220.77 billion).

### **3. DIGITAL TRANSACTIONS**

- Indian companies are strengthening their footprint on foreign shores, enhancing geographical exposure. India's digital payment is estimated to increase to US\$ 1 trillion by 2023.
- In the Union budget of 2022-23, India has announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee.
- The number of transactions through immediate payment service (IMPS) reached 534.6 million (by volume) and amounted to Rs. 5.58 trillion (US\$ 68.61 billion) in February 2024.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose specific digital payment solution.
- Digital payment platforms for rural India: – In August 2021, Neokred, an open banking stack that delivers curated versions of issuance in the payment ecosystem, teamed with Virenxia, a provider of integrated and sustainable solutions for rural transformation and development, to launch the 'The Kisan Card,' a special payment card for Indian farmers.

### **4. NBFCs**

- NBFCs have served the non-banking customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs aspire to emerge as a one-stop shop for all financial services.
- In July 2021, Rajya Sabha approved Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.

## BUSINESS OVERVIEW

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward Looking Statements**” beginning on page 20 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Restated Financial Statement**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 31, 203 and 241, respectively of this Draft Red Herring Prospectus, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “**Risk Factors**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Restated Financial Statement**” beginning on pages 31, 241 and 203 respectively of this Draft Red Herring Prospectus. The financial figures used in this chapter, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “Mitrata Inclusive Financial Services Limited”, “the Company”, “our Company”, “MIFSL” and “the Issuer” and the terms “we”, “us” and “our”, are to Mitrata Inclusive Financial Services Limited.

### OVERVIEW

We are a non-banking finance company (“NBFC”) - microfinance institution (“MFI”) providing credit facility to the marginalized, excluded and vulnerable groups for enterprise development and other essential needs. Mitrata, as the name suggests, embodies two core principles: Friendship and Inclusivity. Accordingly, as an MFI we offer microfinance loans with an aim of economic upliftment of the poor and marginalized across all religions, castes and communities. Mitrata implements activities to provide marginalized households with easy access to financial services including access to credit and insurance, mainly credit-linked insurance to our borrowers. As our core principle of inclusiveness, our product offerings comprise of lending to rural women on a “joint liability group” (“JLG”) model, individual loan to underserved micro and small entrepreneurs and WASH loan.

Our operations are spread across 34 (thirty-four) districts in 5 states in India with 71 (seventy-one) branches and 602 (six hundred and two) employees that served approximately 0.76 Lakhs borrowers which had an active loan account as of the last day of the relevant period (“Active Customers”), as of March 31, 2024. Further, under our business correspondence arrangement (i.e. managed portfolio) with 3 (three) banks and 1 (one) NBFC, we have served approximately 0.24 Lakhs borrowers, as on March 31, 2024. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our gross loan portfolio was ₹17,573.81 Lakhs, ₹17,171.93 Lakhs and ₹13,363.37 Lakhs, respectively, representing increase at a CAGR of 14.68% from March 31, 2022 to March 31, 2024.

With a credit rating of “BBB-” and a stable outlook from Infomercials Ratings ([Source: https://www.infomercials.com/pressrelease/mitrata-inclusive-financial-services-private-limited-\(mifspl\)](https://www.infomercials.com/pressrelease/mitrata-inclusive-financial-services-private-limited-(mifspl))) and assignment by SMERA of M2C1 grading and COCA as on March 31, 2024, we believe we have a strong financial and operational metrics. For details on our financial and operational metrics, please see, “**Basis of Offer Price – Key Performance Indicators**” on page 107.

We are supported by many banks and financial institutions, such as SIDBI, State Bank of India, Indian Overseas Bank, Union Bank of India, Caspian Impact Investment Private Limited, Northern Arc Capital Limited, Vivriti Capital Private Limited for meeting our funding requirements. Further, we have also partnered with credit bureaus such as CRIF Highmark, Equifax, Experian and TransUnion CIBIL.

We further utilize third-party technological capabilities to increase the scale of our digital interactions and transactions with our customers. Among our technological advancements, we have added third-party mobile and web-based application “Paymee” that enables us to monitor and manage overdue accounts on a periodic basis, a third-party mobile and web-based application “FINPAGE” for loan management, loan accounting, paperless disbursement and financial accounting and a third-party mobile and web-based application “AUDIT360” for the management and administration of branches

As part of our sustainability objective, we operate on a phygital model, i.e. an integration of physical and digital elements that provide customers with a seamless, omnichannel experience, for the disbursement and collection activities. As of March 31, 2024, we have onboarded 0.86 Lakhs customers through our omnichannel approach, including collection of ₹ 5934.97 Lakhs from our customers on a 100% paperless basis.

We also leverage our experience in the microfinance industry to apply a simplified and robust process for risk and credit management. We also leverage on third-party technology across our business processes, including sourcing, onboarding, underwriting, disbursement, loan management and monitoring, and collection, in order to manage our risk and monitor our portfolio. We believe that our risk management framework, together with our experience of dealing with underserved customer segments, have helped us build a strong portfolio quality, as indicated by our low NPA levels, as well as improve our credit ratings, which has in turn allowed us to access funds from banks and financial institutions. For the Fiscal 2024,



Fiscal 2023 and Fiscal 2022, our gross NPA ratio was 1.21%, 1.07% and 3.56%, respectively, and our net NPA ratio was 0.18%, 0.00% and 0.36%, respectively.

We have witnessed consistent growth in our business, operations and portfolio. Our disbursements grew from ₹ 12,120.28 Lakhs for Fiscal 2022 to ₹15,303.34 Lakhs for the Fiscal 2024. Our Active Customers increased from 0.62 Lakhs borrowers in Fiscal 2022 to 0.76 Lakhs borrowers in March 31, 2024. The number of our branches and employees also grew from 49 branches with 469 employees as of March 31, 2022 to 71 branches with 602 employees as of March 31, 2024.

Our Board, Promoters, Key Managerial Personnel and Senior Management comprises of experienced professionals, industry experts and management professionals, supported by an experienced pool of employees. Our Senior Management team has members who have significant experience in microfinance and various lending businesses, as well as across major functions related to our business. For details of our board of directors, key managerial personnel and senior management team, see “**Our Management**” on page 182. Our Chairman, Managing Director and one of our Promoters, Dr. Aqueel Ahmed Khan, holds a Bachelor of Science (Honours) degree from Aligarh Muslim University, a degree in Master of Arts from Jamia Millia Islamia and a degree in doctor of Philosophy from Jamia Millia Islamia. Prior to promoting our Company, Dr. Aqueel Ahmed Khan is one of the co-founders of Association for Stimulating Know-how (ASK), a not-for-profit organisation. Furthermore, our Company is guided by Board and management teams having significant experience, allowing us to transition into a profitable and high-potential MFI with low credit risk.

The table below sets forth certain performance metrics of the Company for the periods and as of the dates indicated

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loan portfolio (₹ in Lakhs) <sup>(1)</sup>	17,573.81	17,171.93	13,363.37
Period-on-period growth in gross loan portfolio (%)	2.34%	28.50%	NA
Disbursements (₹ in Lakhs) <sup>(2)</sup>	15,303.34	15,943.36	12,120.28
Average disbursements per branch (₹ in Lakhs) <sup>(3)</sup>	215.54	284.70	247.35
Number of branches	71	56	49
Average gross loan portfolio per branch (₹ in Lakhs) <sup>(4)</sup>	247.52	306.64	272.72
Average disbursements per employee (₹ in Lakhs) <sup>(5)</sup>	25.42	31.26	25.84
Period-on-period growth in disbursements (%)	(4.01%)	31.54%	NA
Number of loans disbursed (Lakhs) <sup>(6)</sup>	0.41	0.45	0.36
New customers (Lakhs) <sup>(7)</sup>	0.28	0.31	0.24
Active Customers (Lakhs) <sup>(8)</sup>	0.76	0.68	0.62
Overall digital collections (%) <sup>(9)</sup>	12.72%	9.41%	2.39%
Revenue from operations (₹ in Lakhs) <sup>(10)</sup>	5,348.27	4,151.76	3,145.07
Net interest income (₹ in Lakhs) <sup>(11)</sup>	2,011.49	1,278.11	687.11
Pre-provision operating profit (₹ in Lakhs) <sup>(12)</sup>	919.96	659.74	382.48
Net profit for the period / year (₹ in Lakhs) <sup>(13)</sup>	550.09	412.65	11.79
Net interest margin (%) <sup>(14)</sup>	11.22%	8.96%	8.06%
Cost to income ratio (%) <sup>(15)</sup>	72.59%	76.54%	81.46%
Operating expense to average total assets ratio (%) <sup>(16)</sup>	10.50%	10.80%	11.38%
Provisions and write offs to average total assets (%) <sup>(17)</sup>	0.78%	0.50%	2.56%
Debt to equity ratio <sup>(18)</sup>	4.75	4.81	4.52
Gross NPA ratio (%) <sup>(19)</sup>	1.21%	1.07%	3.56%
Net NPA ratio (%) <sup>(20)</sup>	0.18%	0.00%	0.36%
Capital to risk (weighted) assets ratio (“CRAR”) (%) <sup>(21)</sup>	20.41%	17.27%	18.28%
CRAR – Tier I (%) <sup>(22)</sup>	19.21%	17.04%	17.99%
Net worth (₹ lakhs) <sup>(23)</sup>	3,812.25	3,282.87	2,670.02
Average yield on portfolio (%) <sup>(24)</sup>	24.83%	21.41%	20.57%
Average effective cost of borrowings (%) <sup>(25)</sup>	13.61%	12.45%	12.51%
Provision coverage ratio (%) <sup>(26)</sup>	84.94%	100.00%	89.77%
Return on average total assets (%) <sup>(27)</sup>	2.58%	2.34%	0.08%
Return on average equity (%) <sup>(28)</sup>	15.51%	13.86%	0.46%
Total number of insurance premium collected (Lakhs) <sup>(29)</sup>	1.11	1.15	0.96
Insurance premium collected (₹ in Lakhs) <sup>(30)</sup>	536.23	512.37	402.30

\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 02, 2024

**Notes:**

- (1) Gross loan portfolio is defined as the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant year, loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year.
- (2) Disbursements is defined as the total amount disbursed to customers in the relevant period, pursuant to loans sanctioned.
- (3) Average disbursements per branch is defined as the aggregate of all loan amounts extended to all our customers in relevant and per branch for the relevant year.
- (4) Average gross loan portfolio per branch is defined as the ratio of total gross outstanding loan portfolio to number of branches for the relevant year.
- (5) Average disbursements per employee is defined as the total amount disbursed to customers in the relevant period per employee, pursuant to loans sanctioned.
- (6) Number of loans disbursed is defined as the total number of loans disbursed to customers during the relevant period.
- (7) New customers is defined as customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.
- (8) Active Customers is defined as customers which had an active loan account as of the last day of the relevant period.
- (9) Overall digital collections percentage is defined as the amount recovered from our customers through digital payment methods as compared to total collections during the relevant period.
- (10) Revenue from operations is defined as our total revenue from operations as per our Restated Financial Information for the relevant period.
- (11) Net interest income is defined as our interest income on loans and advances reduced by finance costs as per our Restated Financial Statements for the relevant period.
- (12) Pre-Provision Operating Profit represents difference of total income minus interest expended minus operating expenses for the relevant fiscal year/quarter period.
- (13) Net profit for the period / year is defined as the profit for the year (after tax) as per our Restated Financial Information for the relevant year.
- (14) Net interest margin is defined as the ratio of our net interest income to our average annual gross loan portfolio on-book. Our average annual gross outstanding loan portfolio is the simple annual average of our gross outstanding loan portfolio for the relevant year/ period.
- (15) Cost to income ratio is defined as the ratio of operating expenses (total expenses excluding finance costs, net loss on fair value changes and impairment on financial instruments) divided by total operating income (total income less finance costs).
- (16) Operating expense to average total assets ratio is defined as the ratio of operating expense to average total assets for the relevant year/ period.
- (17) Provisions and write-offs to average total assets ratio is defined as the ratio calculated by dividing the total amount of provisions made for potential loan losses and loan write-offs charged to profit or loss (i.e. impairment of financial instruments and net loss on fair value changes) during a specific period by the average total assets over the same period.
- (18) Debt to equity ratio is defined as the ratio of our total borrowings to our total equity attributable to shareholders as of the last day of the relevant year derived from our Restated Financial Information.
- (19) Gross NPA ratio is defined as the ratio of our Stage III assets to total outstanding loan portfolio as of the relevant year or period. Total outstanding loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant year or period, gross of impairment allowance.
- (20) Net NPA ratio is defined as the ratio of our Net NPA (Stage III assets less impairment allowance for Stage III assets) to Net Outstanding Loan Portfolio as of the relevant year or period. Net Outstanding Loan Portfolio represents the total outstanding loan portfolio as of the last day of the relevant year or period reduced by impairment allowance.
- (21) CRAR is defined as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).
- (22) CRAR –Tier I is defined as the ratio of Tier I Capital to total risk weighted assets. Tier I Capital means Owned Fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15 per cent of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year. Owned fund means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.
- (23) Net worth is defined as our net worth as of the last date of the relevant period as per our Restated Financial Information.
- (24) Average yield on portfolio is defined as the ratio of total interest income on loans and advances to average of Net loan portfolio on book for the relevant year.
- (25) Average effective cost of borrowings is defined as the ratio of borrowing cost incurred by the company for the relevant financial year or period to the average of borrowings of the company for the relevant year or period.
- (26) Provision Coverage Ratio represents difference of GNPA and NNPA divided by GNPA as of the last day of the relevant period.
- (27) Return on average total assets is defined as the profit for the relevant year/ period derived from our Restated Financial Information as a percentage of annual average total assets for such year.

(28) Return on average equity is defined as the ratio of profit for the relevant year/ period to our annual average of net worth for the relevant year or period.

(29) Total number of insurance premium collected is defined as the overall count of insurance premiums received from diverse customers in relation to their loan disbursements for the relevant year.

(30) Insurance premium collected is defined as the overall sum of insurance premiums received from diverse customers in relation to their loan disbursements for the relevant year.

## OUR STRENGTHS

### Well Diversified and Extensive Presence

As of March 31, 2024, we had around 1.00 Lakh Active Customers, including managed portfolio which were served by our 71 branches and 602 employees spread across 34 districts and 5 states in India. We believe our extensive geographic presence in the region where we operates puts us in a vantage position to lend across these geographies in a scalable manner while maintaining low operating costs, helps us mitigate any risks arising from economic, political, cultural or environmental factors particular to a specific region, and allows us to offer “last-mile” connectivity to our customers in even the most remote areas, for instance, our branch at Kolhui is located at around 25 kms from the Indo-Nepal border. Since the issuance of NBFC-MFI license to our Company, we believe that prioritizing organic diversification and focusing on developing our experience in markets across these states, have enabled us to experience sustained growth over the last few years as we continuously venture into new states. Between March 31, 2022 and March 31, 2024, our number of Active Customer grew at a CAGR of 11.04% and our number of branches grew at a CAGR of 20.37%. As a result of our diversification efforts, as of March 31, 2024, no single state contributed to more than 35% of our total AUM, and our proportion of AUM in our largest states, being Madhya Pradesh, in terms of AUM concentration has gradually decreased over the years from ₹ 4,462.85 Lakhs or 33.40% of our total AUM as of March 31, 2022 to ₹ 5,335.14 Lakhs or 30.36% of our total AUM as of March 31, 2024. Similarly, our proportion of AUM in our 5 largest districts in terms of AUM has also decreased over the years from ₹6,461.97 Lakhs or 48.36% of our total AUM as of March 31, 2022 to ₹ 7,057.32 Lakhs or 40.16% of our total AUM as of March 31, 2024. While we do not own the branch premises, we typically invest in branch infrastructure and assets upfront upon entering a new state. We believe this enables us to leverage our existing infrastructure and knowledge of the local landscape, thereby positioning us well to further penetrate and diversify our operations within our existing markets more efficiently and, in turn, benefit from the economies of scale. The following table sets forth the breakdown of our share of branches, active borrowers and AUM, by state, as of the dates indicated:

State	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Branches (%)	Active Customers (%)	AUM (%)	Branches (%)	Active Customers (%)	AUM (%)	Branches (%)	Active Customers (%)	AUM (%)
Bihar	18.37%	23.10%	24.17%	19.64%	28.28%	30.91%	22.54%	32.72%	34.25%
Haryana	22.45%	3.83%	4.32%	19.64%	2.46%	2.15%	15.49%	1.18%	1.41%
Madhya Pradesh	20.41%	35.40%	33.40%	19.64%	30.81%	27.22%	23.94%	30.48%	30.36%
Rajasthan	18.37%	4.90%	5.69%	19.64%	3.15%	2.98%	15.49%	1.69%	2.25%
Uttar Pradesh	20.41%	32.77%	32.42%	21.43%	35.31%	36.75%	22.54%	33.93%	31.74%

\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024

We have a strong focus on reducing state concentration risk through contiguous expansion into new states and widening our reach into untapped markets in a strategically controlled manner. Over the last three financial years, we have established 7 branches in the state of Bihar, 7 branches in the state of Madhya Pradesh and 6 branches in the state of Uttar Pradesh. Our gross loan portfolio grew at a CAGR of 14.68% between the Fiscal 2022 and the Fiscal 2024. Further, our number of Active Customers grew at a CAGR of 11.04% between the Fiscal 2022 and Fiscal 2024.

### Proven Execution Capabilities with Strong Rural Focus

We believe that we have been able to achieve significant success with our growth strategy of targeting underserved and underpenetrated rural areas in both our existing markets and new geographies. We have a long history of serving rural markets with high growth potential in the microfinance segment, and have maintained a track record of financial performance and operational efficiency through consistently high rates of customer acquisition and retention and low-cost expansion into underpenetrated areas. Our total AUM grew at a CAGR of 14.68% from ₹ 13,363.37 Lakhs as of March 31, 2022 to ₹ 17,573.81 Lakhs as of March 31, 2024. Through such growth, we have achieved a consistent reduction in our cost to income ratio from 81.46% for the Fiscal 2022 to 72.59% for the Fiscal 2024 which we attribute to being able to derive benefits of operating leverage in our business and digitization. We have also achieved improving customer retention rates of 30.89%, 31.45% and 33.40% for the Fiscal 2024, 2023 and 2022, respectively, which we attribute to our superior customer services and commitment to proactively address the specific needs of each individual across our large customer base. As of March 31, 2024, 0.76 Lakhs or 100% of our total customers, 71 branches or 100% of our total branches, and ₹17,573.81 Lakhs or 100% of our total AUM, were from rural areas. We believe our connection with our rural customers, in particular, has been largely driven by our focus on continuously deepening our understanding

of the financial needs of the rural customer segment and commitment to consistent engagement with the communities we serve. For example, we undertake various community development programs every year that cover topics such as financial literacy, health, safety and hygiene. We believe these initiatives serve as a foundation for our growth by strengthening our credibility as a trustworthy, reliable and responsible long-term lender as well as helping us in our continuous efforts to improve and tailor our offerings to our customers' needs. Further, we have adopted robust technology platforms that we believe have significantly enhanced accessibility for, and addressed the borrowing challenges faced by, a rural customer base that is quite large and typically lives in remote locations. We believe our digital capabilities, which currently facilitate online onboarding, paperless loan processing, seamless cashless disbursements, cashless collections, timely query resolution and access to online and offline financial literacy resources, among other things, have allowed us to realize our vision of delivering a superior customer experience.

We believe that our customer-centric model and our ability to leverage our extensive distribution network and deep-rooted presence in rural markets across five states in India, makes us well placed to offer an increasing variety of financial products in areas where financial services penetration remains limited. We believe that our focus on lending to customers in rural areas helps improve our customer risk profile for instance NPA from our lending to JLG portfolio was 1.12%, 1.03% and 3.53% for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

#### ***Access to Diversified Sources of Capital and Effective Asset Liability Management***

Over the years, we have adopted a calibrated approach towards diversifying our fund-raising sources and minimizing our costs of borrowings with prudent asset liability management and effective liquidity management. We believe that our focus on building a healthy balance sheet with a good mix of assets, liability and equity and a positive net asset position has enabled us to overcome various negative market conditions in the past. We benefit from a large and diversified mix of lenders which has increased over the years and included 34 lenders as of March 31, 2024, comprising a range of public banks, private banks, foreign banks and financial institutions to meet our capital requirements. We have been continuously widening our lender pool with the aim of adding different types of lenders every year. The following table sets forth the breakdown of our share of total borrowings by lender type, as of the dates indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Nos. of lenders	% of borrowing	Nos. of lenders	% of borrowing	Nos. of lenders	% of borrowing
Banks:						
Development financial institutions <sup>(1)</sup>	1	1.10%	1	3.80%	1	12.26%
Public banks	5	28.61%	5	27.47%	4	34.25%
Private banks	4	16.19%	3	21.27%	2	16.82%
Foreign banks	0	0.00%	0	0.00%	0	0.00%
Sub-total for banks	10	45.91%	9	52.53%	7	63.33%
Foreign Institutions <sup>(2)</sup>	1	7.51%	0	0.00%	0	0.00%
NBFC	18	40.60%	12	37.34%	12	36.26%
Financial Institutions / AIFs <sup>(3)</sup>	1	4.28%	1	9.81%	0	0.00%
Others	4	1.70%	1	0.32%	1	0.41%
<b>Total</b>	<b>34</b>	<b>100.00%</b>	<b>23</b>	<b>100.00%</b>	<b>20</b>	<b>100.00%</b>

*\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024*

Notes:

(1) Development financial institutions ("DFIs") are institutions endorsed or supported by the Government of India primarily to provide development or project finance to one or more sectors of the economy.

(2) External Commercial borrowing (ECB)

(3) Through investments in non-convertible debentures ("NCDs") issued by our Company.

We have a judicious ALM policy that carefully monitors the contractual maturity periods of all assets and liabilities. In addition, we generally seek to ensure that the average maturity of our liabilities is higher than the average maturity of our assets by sourcing funding with larger repayment cycles than the loans we provide. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, the average maturity of our loan portfolio was approximately 16.06 months, 16.29 months and 16.40 months, respectively, and the average maturity of our liabilities was approximately 23.29 months, 21.20 months and 22.18 months, respectively. As a result of prudent ALM standards, we had a favorable asset-liability position across all categories cumulatively and positive interest rate gaps across all time buckets as of March 31, 2024.

Through the continued support of our lenders and investors, we have been able to raise ₹36,674.75 Lakhs in debt as well as ₹356.65 Lakhs in equity, on a cumulative basis, over the last three financial years i.e. Fiscal 2022 to Fiscal 2024, despite volatility across the financial services industry during this period. As such, we have consistently maintained healthy capital adequacy ratios and, for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our CRAR was 20.41%, 17.27% and 18.28 %, respectively, which were well above the requirement of 15% for NBFCs prescribed by the RBI, and our debt-to-equity ratio was 4.75, 4.81 and 4.52, respectively. As of March 31, 2024, we maintained a comfortable liquidity buffer of ₹3,103.96 lakhs, which included ₹ 2,632.69 Lakhs in cash balances and balance of ₹ 471.27 bifurcated into ₹271.27 Lakhs in fixed deposit and ₹ 200.00 Lakhs in the form of overdraft.

Further, we believe that our access to diversified and cost-effective debt financing is also attributable to our stable credit history and stable credit ratings. Our consistent rating has expanded our lenders to include reputable banks, such as the State Bank of India, Indian Overseas Bank, Canara Bank, Union Bank of India, SIDBI, AU Small Finance Bank, Jana Small Finance Bank, Bandhan Bank, and Dhanlaxmi Bank, and financial institutions such as, Caspian, Arohan, Nabfins, Incred, Ambit, Manappuram, Electronica Finance, Maanaveeya, Northern Arc, Vivriti, NAB Samruddhi, RAR Fincare, Muthoot Microfin, Usha Financial, Blacksoil and Finhive Capital, and ECB from Grameen Credit Agricole Microfinance Foundation and NCDs. SMERA has assigned us a grading of “M2” which is the 2<sup>nd</sup> available grading on an eight-point scale. For more details on our grading and credit ratings, see “-Grading and Credit Ratings” on page 157.

### ***Robust Underwriting Process and Risk Management Policies***

We believe that our robust risk management policies and underwriting processes, such as our extensive customer assessment methodologies and monitoring systems, have resulted in healthy portfolio quality indicators. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our gross NPA ratio was 1.21%, 1.07% and 3.56%, respectively, our net NPA ratio was 0.18%, 0.00% and 0.36%, respectively.

Our risk management division is divided into separate teams that are respectively dedicated to managing and mitigating credit risk, market risk and operational risk, and which are subject to oversight by our Risk Management Committee and our Board of Directors. Our customer due diligence procedures encompass multiple levels of checks and controls designed to assess the quality of customers and to confirm that they meet our stringent selection criteria, and include comprehensive evaluation of repayment capacity and detailed cash flows analysis of the customer as well as thorough group training sessions and knowledge testing. We utilize credit bureau data to verify customer details and obtain information on past credit behavior. Further, we employ proactive practices that involve frequent evaluations of portfolio risk levels on a periodic basis and rigorous monitoring and analysis of disbursements and collection, roll rates and customer retention at both branch and head office levels, which minimize the incidence of bad debts.

Our internal audit team is supervised by our Audit Committee, which is responsible for monitoring and evaluating internal controls and ensuring statutory and regulatory compliance, and our Board of Directors. The technology solutions we employ include real-time integration with credit bureaus and instant credit checks, loan monitoring systems and geotagging functions. We also periodically review our standards of procedures and continuously strengthen our audit coverage to ensure that all material transactions and business initiatives are thoroughly reviewed, with the goal of ensuring that asset quality is not compromised as a result of growth.

### ***Technologically Advanced Operating Model***

We have followed a well-defined IT strategy since our inception with clear targets that we regularly review and revise in order to remain at the forefront of the dynamic and fast-evolving nature of business technology. We have utilized a loan origination system since the disbursement of our very first loan in 2017 and, through our technology transformation over the years, we have automated and digitized various customer acquisition and customer service functions. Our current platforms support paperless loan processing, real-time application tracking, real-time credit checks, integrated credit bureau data collection, comprehensive telephonic grievance redressal, geographic tagging for center meetings and real time notifications to customers. FINPAGE, third-party application enables among other things, real time integration through open API architecture with credit bureaus, bank partners and other third-party systems that facilitate seamless customer information validation and cashless collections. Our technology initiatives over the years have yielded substantial increases in digital customer onboardings and online disbursements as well as a decrease in turnaround times. As of March 31, 2024, 100% of our customers were onboarded paperless and our share of cashless disbursements in total disbursements was 100%, while our average turnaround time for loan approvals decreased from approximately 6 days for the Fiscal 2022 to 4 days for the Fiscal 2024. In addition, as cyber security continues to become increasingly important in the face of rapid digitization, we have also implemented systems that protect our users through web-application firewalls, restricted access, advanced threat protection, vulnerability assessment and penetration testing (“VAPT”), device encryption, data loss prevention, endpoint detection and secure video conferences.

### ***Professional / Stable and Experienced Management Team***

Our Company was founded by Dr. Aqueel Ahmed Khan and Prabhakar Rawat, a first-generation entrepreneur who has 20 years and 12 years of experience in the social development, banking and financial services industry. As a result of his

strategic vision and focus on building a culture that fosters growth, attracts talent and encourages long-term thinking, our Company has grown to become a significant contributor to financial inclusion in India. Over the years, we have greatly focused on attracting and building a talent powerhouse as we believe that our people are key to our success as an MFI. Our board and senior management team comprises experts and professionals heading various functions having significant leadership experience in their respective fields. Several key members of our senior management team have been with our Company for around 3+ years, have a diverse mix of domain expertise in banking, financial services and insurance (“BFSP”) and large corporates, as well as experience in building scale and managing various business cycles. Further, our operations in almost all our states are headed by individuals who began their careers at our Company and have risen from rank and file to achieve leadership roles at our Company.

We are committed to actively monitoring, evaluating and refining the corporate governance practices throughout our organization. We are led by a Board of experienced management professionals, majority of which are independent directors. We strive to maintain governance practices that are based on high standards of transparency, fiscal accountability, ethical corporate behavior and fairness to all stakeholders. Stemming from our high standards in corporate governance, we have been awarded a score of “C1” on the Code of Conduct Assessment for MFIs in India, which is measured based on indicators of transparency, client protection, governance, recruitment, client education, grievance redress and data sharing, by SMERA, a global leader in the financial rating of microfinance institutions.

## **STRATEGIES**

### ***Continue to grow our loan portfolio by expanding our geographical footprint and diversifying product offerings***

Our operations have been concentrated in North and Central India, namely Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, and Haryana and we have continued to expand our presence in these states and have a total of 71 branches as of March 31, 2024. Moving forward, we plan to continue to undertake our geographical expansion in the western region of Uttar Pradesh and also to the two key states, namely Uttarakhand and Jharkhand, with the objective of further expanding the business in geographies that have more unbanked population, which would allow the Company to gain more market shares. We believe that our focus on adopting digital innovation and technology will be a strong tool to allow us to expand our reach across India, including towards emerging rural areas with limited access.

In conjunction with our geographical expansion goals, we intend to open more branches so that our branch-based collection method can be further established. As of March 31, 2024, we had 71 branches. While we expand our network, we will continue to monitor various market, credit parameters, credit growth, household information and other metrics, all of which will give us the ability to lower the risk and increase the returns. We will also continue to focus on further deepening our credit and hold in existing market. For example, branches that do not achieve certain targeted financial parameters shall be analysed and assigned measures to improve their portfolio quality or shift the branch to new locations. This in turn will improve our overall collection efficiency, which will further lower the credit cost of such branch’s portfolio.

Furthermore, as our aim is to always be customer-centric, we seek to explore co-lending model and shift towards digital products, shorter-term products, in order to meet customer’s needs. We believe that we should be able to service customers at various stages of their credit journey with our product offerings, including by incentivizing repeat loans, top-up loans and cross-sell to customers who have proven their credibility.

### ***Leverage digital banking and analytics to drive cost optimization, increase operational efficiency and improve profitability metrics***

We intend to continue to adopt and invest in digital platform, which would include third-party software or in-house developed software to increase operational efficiencies and effectiveness and ensure customer credit quality. Our digital strategy includes digital innovation, API banking, fintech collaborations, AI, digital lending, payments and data analytics. We are actively implementing end-to-end digitization processes to enable contactless disbursements and collections. We also plan to collaborate with the fintech ecosystem to offer innovative products and solutions to our customers. For instance, we have tied-up with Uthaa Technologies Private Limited (Vitto) for lead generation in our MSME lending vertical. With all of our digital initiatives, we aim to improve overall efficiency and effectiveness within our digital ecosystem, and also further reduce our TAT. Furthermore, digital channels will play a crucial role in acquiring new customers, especially in hard-to-reach areas, and would allow us to expand our reach across the country.

We aim to further improve our growth by focusing on cost optimisation. Our focus on digital technology provides us with an alternative collection method, including through third-party mobile application – Finpage, as well as on-field and branch-based collection method. We aim to find the right mix between our physical and digital collections to improve our cost optimisation. While presently, our collections are effected through on-field collecting agents who use Finpage application to monitor, follow-up, record and collect cash from the customers, thus enabling a 100% paperless collection process. We are also developing a mobile application Fingpay, a beta version of which is launched for testing. This application would further boost our digital presence, though it may not lead to us to a digital only player since, the customer base of an MFI sector requires in-person service to cater to their needs. Furthermore, our branches typically



take eight to 10 months to break even, and because the majority of our branches are profitable, our proportion of matured branches to total branches will be incrementally higher going forward, which we believe will also help us improve our cost optimisation.

#### ***Further diversify our sources of funds***

We have been able to access cost-effective debt financing and continuously endeavour to reduce our average effective cost of borrowings over the years (from 15.63% for Fiscal 2021 to 13.61% for Fiscal 2024) with our stable credit ratings, diversification and enhancement of scale to our business. We have historically secured and seek to continue to secure cost-effective funding from various sources, such as direct assignment, NCDs, public and private banks, NBFC, overseas borrowings, among others. For details on our ability to raise capital at competitive costs, see “—***Our Strengths – Access to diversified sources of capital and effective cost of funds***”. As we continue to grow the scale of our operations, we aim to reduce our dependence on the more costly term loans from banks and financial institutions in India, by issuing retail NCDs and unsecured NCDs, and raising ECBs, in order to optimize our cost of fund, meet our capital needs and continue improving our credit ratings. For instance, we have received in-principal approval from one of the international lenders and the process of documentation is in process. A lower average cost of lending enables us to competitively price our loan products to our customers. Furthermore, we will also continue to evaluate opportunities to securitize or assign loans to financial institutions, which would enable us to optimize our cost of borrowings and liquidity requirements, capital management and ALM. For instance, as on March 31, 2024 we have assigned loan worth ₹1260.95 Lakhs to financial institutions.

#### ***Further strengthen our risk and underwriting model***

As risk management forms an integral part of our business, we aim to continuously improve our risk and underwriting model. We aim to put a stronger focus on risk audits for new and at-risk units. We also seek to improve our review and monitoring system for early warning signal and analyse existing and future delinquencies feedback to improve our credit underwriting policies. For our new branch locations, we will continue to monitor various market, credit parameters, credit growth, household information and other field-level and data-based check to give us the ability to lower our overall risk associated with opening new branches. We also plan to establish regular data analysis to pre-empt quality issues at a branch level and at a geographical level in addition to the regular follow-up on collection by the sales and collection team. As a business strategy, we built the onus of collection on the sales team, which we believe helps in eliminating the onboarding of sticky loan accounts.

We currently leverage technology in our credit verification with third-party partners, through which we input certain KYC details and receive an instant report on the customers’ credit profile, thus allowing us to analyse risk associated with each customer and predict their repayment behaviour. Further, we have segregated the function of sales and credit to build in more independence in the credit verification process. Moving forward, we intend to invest in augmenting our technology infrastructure, whether developed in-house or third-party to improve our risk management by leveraging the data we have, as well as make extensive use of data analytics solutions in our operations for risk-related initiative, such as credit monitoring, credit assessment and origination. We plan to undertake the following initiatives to achieve this objective:

- develop risk-based scorecard analysis to grade customers credit capabilities;
- use of alternate data bureaus; and
- leveraging on Aadhaar ID’s database in addition to voter ID cards being considered presently.

#### **DESCRIPTION OF OUR BUSINESS**

Our microfinance lending business is mainly based on a group lending model, catering exclusively to women. We also lend to micro business and to individuals especially, for building their sanitation facilities. All our products are governed by product-level policies and standard operating procedures approved by our Board. These policies and procedures ensure consistency, transparency, and adherence to regulatory requirements. Additionally, we maintain strict control over client concentration by limiting non-qualifying books to less than 10% of our overall assets. This approach allows us to maintain a strong focus on micro-lending and ensures our commitment to empowering micro-enterprises. A breakdown of loan products is set forth in the table below as of March 31, 2024:

Loan Type	Range of Ticket Size for the period (in ₹)	Average Ticket Size for the period (in ₹)	Number of Loans Disbursed for the period	Gross Loan portfolio (₹ in Lakhs)	Percentage of Gross Loan portfolio (in %)
JLG	10,000 – 60,000	38,174	37,272	16,604.20	94.48%
Micro Enterprise	60,000 – 2,00,000	1,11,452	62	79.53	0.45%
Sanitation	20,000 - 30,000	28,986	3,471	890.09	5.06%
<b>Total</b>			<b>40,805</b>	<b>17,573.81</b>	<b>100.00%</b>



## **Our Lending Model**

### **Joint Liability Group (“JLG”)**

Under the JLG loan model, an informal group of three to ten women founded on the basis of trust and knowledge of each other’s business and nature would apply for a loan and provide joint and several guarantees on such loans from each member of the JLG. This model is based on the idea that people belonging to lower-income segments may have collective skills that are underutilized and that if they are given access to credit, they may be able to identify new opportunities and grow existing income-generating activities. Each group selects a group leader who is responsible for coordinating repayments, liaising with us and regulating group peer pressure.

As of March 31, 2024, our JLG model had benefitted 74,361 customers and this model represents 94.48% of our gross loan portfolio and contributed to approximately 99.88% of our revenue.

### **Key Steps to Lending Model**

Our lending model for JLG comprises of the following key steps that we have summarized below:

1. **Group formation.** A group is formed having similar economic status and preferably engaged in some economic activity, know each other well and are jointly and severally liable for repayments of all loans taken by the individuals in the group.
2. **KYC collections.** As part of the due diligence and KYC process, identity proof, address proof, proof of age and proof of nominee are collected from the individual primary applicant. Furthermore, additional documents include the KYC of individual member’s nominee, nomination form, passport size photographs of the nominee and applicant, and bank details. Voter IDs are considered identity proof and we perform verification checks through third party electoral databases on the voter ID cards provided to reduce the risk of identity-related fraud.
3. **Credit bureau verification.** In order to ensure that the members of each group are within the established credit lending norms, credit bureau enquiry from third-party credit bureaus is done before the loan application process. In this process, basic KYC details, such as full name, mobile number, address, date of birth and KYC ID, are entered in the system and an instant Credit Information Report of each group members and their co-borrowers.
4. **Compulsory group training (“CGT”).** The sales officer in charge of the loan provides the individual members of the group with necessary information about us and other financial details, such as loan eligibility, terms and conditions, documentation process and EMI payment, for them to apply for a loan. Such officer will orient the individual members about the eligibility, training, documentation process, loan products, terms and conditions and motivates them to associate with us.
5. **Loan application.** The group or its representative shall submit their loan application, where the members of the group agree on the terms and conditions of the loan and on the joint and several liability for repayments.
6. **Group verification process by Area credit manager.** The Area credit manager further performs verification process to check the group member’s understanding of the aspects of eligibility criteria, loan products, terms and conditions, and the responsibility in becoming a customer with us.
7. **Loan sanctioning.** Our centralised backend team assesses the information received from the field employees and do the tele verification for each client by directly calling to clients and if all specified criteria are met, the loans will be sanctioned to the group. These criteria are namely, borrowing history, monthly loan obligations, household income and KYC check.
8. **Disbursement and post-disbursement.** Once loans are sanctioned, disbursements shall be done through direct bank transfers to the individual accounts after penny drop check and post-disbursement check shall be done via a customer service meeting, which informs the customers on its loan amount, EMI amount, due date, balance and eligibility of other loan products.
9. **Loan management.** Repayments shall be then collected at the centre meeting place by field officer and all the client in the centre has to pay their EMI themselves. The field officer enters the amount collected in client account through mobile app on real time in field and customer gets acknowledgment message on registered mobile number. In instances where the borrowers defaulted in their payment, the Company will closely follow-up on the repayment from the non-on-time repayment customers by continuing MIS from the head office to the field team, who will help to get the collections back.
10. **Loan closure.** Borrowers have the option of prepaying their loans before the completion of the loan cycle, in specific cases. No prepayment charges are levied in case of early repayment or on pre-closure of loans.

### **Micro Enterprise Loans (“MELs”)**

MELs are our MSME loan given to individuals and are designed to support business enterprises and income enhancement activities, such as the working capital or business expansion purposes who have atleast 3 years old business. The tenure for MELs ranges from a minimum of 18 months to a maximum of 24 months, with loan amounts ranging from ₹60,000 to ₹200,000. As of March 31, 2024, the annual effective interest rate of MEL was 26.50% based on loans disbursed during the period ended March 31, 2024, and the average yield on MELs is 26.50% based on loans outstanding as on March 31, 2024. In addition, we charge a non-refundable loan processing fee equal to 1.50% (excluding GST) of the loan amount. As of March 31, 2024, MELs constituted 0.45% of our gross loan portfolio. We disbursed ₹69.10 Lakhs, ₹ Nil and ₹ 59.25 Lakhs worth of MELs in Fiscals 2024, 2023 and 2022, respectively.

Our loans typically fund individuals who operate businesses in the sectors shown in the following table:

Sector	(% of total gross loan portfolio)			(% of total disbursements)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Agri Allied Activities	78.41%	65.33%	73.56%	80.09%	63.17%	75.27%
Handloom Handicraft	0.46%	0.54%	0.21%	0.53%	0.59%	0.20%
Small Business	16.07%	32.36%	25.29%	12.81%	34.25%	23.49%
WASH	5.06%	1.78%	0.94%	6.57%	1.99%	1.05%

*\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024*

### **Key Steps to Lending Model**

Our lending model for MEL comprises of the following key steps that we have summarized below:

1. Client sourcing process.
  - MEL officer will reach out to promising clients as per eligibility criteria. Fill-out the loan application for interested clients.
2. Client on boarding, data point capture and instant credit bureau check
  - MEL officer will fill out the loan application on mobile app and will upload all necessary documents
  - An instant credit bureau check (CB 360) will automatically initiate at this stage and will approve or reject the client. Approved clients will be pushed forward for further processing
  - All essential information will be given to client and co borrower such as responsibilities pertaining to rules, regulations, loan product details, recovery method, e-Nach and PDC's etc.
  - House and Business location visit
  - Referral checks (Formal and Informal)
3. 360-degree CB check
  - 360-degree CB check will be applicable
  - Both client and co applicant will be covered.
  - CB process will happen just after loan application
4. Credit appraisal
  - Credit Manager (CM) conducts credit appraisal and double checks the information collected during enrolment. Tests the client on information given to them by FO during sourcing
  - CM will conduct house visit and business visit for 100% clients
  - CM will fill out a detailed credit appraisal/cash flow sheet and assess client's credit worthiness
  - Cash flow analysis will be done in app also
  - Referral checks (formal and informal)
  - Here the field level appraisal ends
5. HO-credit sanction

Centralized HO-based credit team will sanction the loan based on the following reports on Finpage web portal

and checks:

- Field verification report
- Client profile and KYC
- Cash Flow Analysis Report
- Tele-verification (to be conducted by HO credit team)
- Loan approved in Finpage

6. Final approval:

Final credit approval to be given by Credit Head

7. Disbursal Process Digital

Loan amount will be transferred into client's account through NEFT

8. Installment collection - NACH/Digital

- EMI will be deducted from clients account on the schedule date.

### **Water and Sanitation Loans ("WASH")**

Wash loan is given to the individuals for sanitation facilities including construction/ refurbishment/ renovation of household toilets and water improvements. The tenure for WASH loans ranges from a minimum of 12 months to a maximum of 24 months, with loan amounts ranging from ₹20,000 to ₹30,000. As of March 31, 2024, the annual effective interest rate of SELs was 26.00% based on loans disbursed during the Fiscal 2024, and the average yield on SELs is 26.00% based on loans outstanding as on March 31, 2024. In addition, we charge a non-refundable loan processing fee equal to 1.50% (excluding GST) of the loan amount. As of March 31, 2024, WASH loans constituted 5.06 % of our gross loan portfolio. We disbursed ₹ 1,006.10 Lakhs, ₹317.70 Lakhs and ₹127.10 Lakhs worth of WASH loans in Fiscals 2024, 2023 and 2022, respectively.

### **Key Steps to WASH Lending**

Our lending for WASH comprises of the following key steps that we have summarized below:

1. **Group formation.** A group is formed having similar economic status and preferably engaged in some economic activity, know each other well and are jointly and severally liable for repayments of all loans taken by the individuals in the group.
2. **KYC collections.** As part of the due diligence and KYC process, identity proof, address proof, proof of age and proof of nominee are collected from the individual primary applicant. Furthermore, additional documents include the KYC of individual member's nominee, nomination form, passport size photographs of the nominee and applicant, and bank details. Voter IDs are considered identity proof and we perform verification checks through third party electoral databases on the voter ID cards provided to reduce the risk of identity-related fraud.
3. **Credit bureau verification.** In order to ensure that the members of each group are within the established credit lending norms, credit bureau enquiry from third-party credit bureaus is done before the loan application process. In this process, basic KYC details, such as full name, mobile number, address, date of birth and KYC ID, are entered in the system and an instant Credit Information Report of each group members and their co-borrowers.
4. **Compulsory group training ("CGT").** The sales officer in charge of the loan provides the individual members of the group with necessary information about us and other financial details, such as loan eligibility, terms and conditions, documentation process and EMI payment, for them to apply for a loan. Such officer will orient the individual members about the eligibility, training, documentation process, loan products, terms and conditions and motivates them to associate with us.
5. **Loan application.** The group or its representative shall submit their loan application, where the members of the group agree on the terms and conditions of the loan and on the joint and several liability for repayments.
6. **Group verification process by Area credit manager.** The Area credit manager further performs verification process to check the group member's understanding of the aspects of eligibility criteria, loan products, terms and conditions, and the responsibility in becoming a customer with us.
7. **Loan sanctioning.** Our centralised backend team assesses the information received from the field employees and do the tele verification for each client by directly calling to clients and if all specified criteria are met, the loans will be sanctioned to the group. These criteria are namely, borrowing history, monthly loan obligations, household income and KYC check.

8. Disbursement and post-disbursement. Once loans are sanctioned, disbursements shall be done through direct bank transfers to the individual accounts after penny drop check and post-disbursement check shall be done via a customer service meeting, which informs the customers on its loan amount, EMI amount, due date, balance and eligibility of other loan products.
9. Loan management. Repayments shall be then collected at the centre meeting place by field officer and all the client in the centre has to pay their EMI themselves. The field officer enters the amount collected in client account through mobile app on real time in field and customer gets acknowledgment message on registered mobile number. In instances where the borrowers defaulted in their payment, the Company will closely follow-up on the repayment from the non-on-time repayment customers by continuing MIS from the head office to the field team, who will help to get the collections back.
10. Loan closure. Borrowers have the option of prepaying their loans before the completion of the loan cycle, in specific cases. No prepayment charges are levied in case of early repayment or on pre-closure of loans.

### Insurance Products

We have been offering Hospicash policy support to our borrowers since 2019. Hospicash is an allowance cover that offers cash benefits to the insured in case of hospitalization. The cash benefit is calculated based on the number of days the insured spends in the hospital and the premium amount paid. If the insured is admitted to the intensive care unit, the benefits are doubled. This policy is particularly beneficial for clients at the bottom of the economic pyramid, as many of them face a loss of daily income during hospitalization. Further, we have been offering credit-linked insurance policy support to our borrowers since July, 2019. We believe that the policy is competitively priced and can be extended to cover the entire family. Further, the claim settlement process is simplified and conducted entirely online. The borrower can exercise the option to avail the insurance at the time of disbursement. Once exercised, the insurance premium is deducted from the disbursement amount and only net amount stand transferred to the borrower.

We sold a total of 22,168, 26320 and 24,586 Hospicash policies in Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively, to clients across 5 states. This translates to revenue generated in the amounts of ₹40.89 Lakhs, ₹47.94 Lakhs and ₹50.14 Lakhs in Fiscals 2024, 2023 and 2022, respectively.

### Our Branch Network

We had 0.76 Lakhs Active Customers, who are served by our 71 branches across 34 districts in 5 states in India, as of March 31, 2024. Further, we also serve around 0.24 Lakhs customers under our managed portfolio. Our operations have historically been concentrated in the state of Bihar

Our branch network plays a pivotal role in our business operations and is the centre point to connect customers in identified villages or wards. The operating area of the branch is divided into such clusters and a typical cluster caters around the radius of 25kms.

As of March 31, 2024, we had 534 branch employees comprising of, branch managers, branch office manager, field officers, collections managers, area manager, area credit manager and regional managers spread across our branches in India, who comprised 88.70% of our total workforce. Each field officer on average manages 300 borrowers and a portfolio up to ₹80 Lakhs to ₹100 Lakhs. The rest of the workforce consists of administrative support staff and management personnel that provide support to our branches. Our field officers are responsible for providing trainings to customers, conducting information meetings on various products we offer and for collection of overdue accounts, while our branch managers are responsible for controlling the field officer, monitoring branch activities, managing their branches' portfolio and growth, and ensuring collections of overdue accounts. This also creates additional employment opportunities in the rural villages we operate in, with such sales officers having a comprehensive understanding of their areas.

The following table sets forth the breakdown of our gross loan portfolio, branches, disbursements and active borrowers, by region, as of the dates indicated:

Region	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Gross loan Portfolio	% of total	Gross loan Portfolio	% of total	Gross loan Portfolio	% of total
North (Uttar Pradesh and Haryana)	5,824.46	33.14%	6,679.38	38.90%	4,909.76	36.74%
East (Bihar)	6,019.43	34.25%	5,307.47	30.91%	3,230.02	24.17%
West (Rajasthan and Madhya)	5,729.92	32.60%	5,185.08	30.20%	5,223.59	39.09%

Pradesh)						
<b>Total</b>	<b>17,573.81</b>	<b>100.00%</b>	<b>17,171.93</b>	<b>100.00%</b>	<b>13,363.37</b>	<b>100.00%</b>

\*As certified by R Gopal & Associates., Chartered Accountants by way of their certificate dated September 03, 2024

As of March 31, 2024						
Region	Disbursement	% of total	Branches	% of total	Active borrowers	% of total
North (Uttar Pradesh and Haryana)	4,767.36	31.15%	27	38.03%	26,654	35.11%
East (Bihar)	5,095.74	33.30%	16	22.54%	24,835	32.72%
West (Rajasthan and Madhya Pradesh)	5,440.24	35.55%	28	39.44%	24,418	32.17%
<b>Total</b>	<b>15,303.34</b>	<b>100.00%</b>	<b>71</b>	<b>100.00%</b>	<b>75,907</b>	<b>100.00%</b>

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The following table sets forth the breakdown of our number of our gross loan portfolio, branches, disbursements and active borrowers, by Zone, as of the dates indicated:

Zone	State	Fiscal 2024				Fiscal 2023				Fiscal 2022			
		Gross loan portfolio	% of total	Disbursements (₹ in Lakhs)	Branches	Gross loan portfolio	% of total	Disbursements (₹ in Lakhs)	Branches	Gross loan portfolio	% of total	Disbursements (₹ in Lakhs)	Branches
North (Uttar Pradesh and Haryana)	2	5,824.46	33.14%	4,767.36	27	6,679.38	38.90%	6,141.53	23	4,909.76	36.74%	4,347.78	21
East (Bihar)	1	6,019.43	34.25%	5,095.74	16	5,307.47	30.91%	5,163.09	11	3,230.02	24.17%	3,062.65	9
West (Rajasthan and Madhya Pradesh)	2	5,729.92	32.60%	5,440.24	28	5,185.08	30.20%	4,638.74	22	5,223.59	39.09%	4,709.85	19
<b>Total</b>	<b>5</b>	<b>17,573.81</b>	<b>100.00%</b>	<b>15,303.34</b>	<b>71</b>	<b>17,171.93</b>	<b>100.00%</b>	<b>15,943.36</b>	<b>56</b>	<b>13,363.37</b>	<b>100.00%</b>	<b>12,120.28</b>	<b>49</b>

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### Regular Collection Efficiency

Our regular collection efficiency was 99.45%, 99.79% and 96.28% for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our gross NPA ratio was 1.21% as of March 31, 2024 and our net NPA ratio was 0.18% as of March 31, 2024. The tables below set forth the amount of loan portfolio (on book) under Stage 1 (1-30 days), Stage 2 (31-90 days) and Stage 3 (more than 90 days):

As of March 31,	Stage 1 (1-30 days)		Stage 2 (31-90 days)		Stage 3 (more than 90 days)	
	Gross loan portfolio (₹ in Lakhs)	% of total gross loan portfolio	Gross loan portfolio (₹ in Lakhs)	% of total gross loan portfolio	Gross loan portfolio (₹ in Lakhs)	% of total gross loan portfolio
2024	53.16	0.30%	100.13	0.57%	211.92	1.21%
2023	3.29	0.02%	11.32	0.07%	183.75	1.07%
2022	43.06	0.32%	64.30	0.48%	476.31	3.56%

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## Technology and Digital Platforms

We have implemented the use of technology across our operations to improve our processes, enhance efficiency and increase productivity. As a result, we are able to improve our overall customer service and provide timely financial solutions to our customers, meeting their needs effectively.

The following key components of our information technology systems have been adopted across our business:

- An integrated operational model (“tech-model”) is introduced to strengthen our loan originating, servicing and collection process. Our tech model assists us in digital customer onboarding, loan sanctioning and approval workflow, business rule engine, and regular and overdraft collections. This resulted in improved operational efficiency and streamlined processes for the customers. The system comes with various real-time ID validations such as Voter ID, bank account verification, integrated credit bureau checks. OCR and bene-validation. We achieved 12.72% digital collections for the Fiscal 2024. We have further introduced additional digital interventions such as eSign, and QR code base payment and NACH to target for better TAT and higher digital collections.
- We have added the Pay Mee interface in 2022, a third-party tracking tool for automated credit decisioning using Underwriting risk score, Credit data and collection scoring that identifies potential risk and give early alerts by analyzing patterns and trends in historical data which will help in detecting fraudulent transactions & negative consequences
- We have tied up with Vitto Mobile Application in 2023, a fintech company that provides customer reference under our MEL loan product.
- All our IT Assets such as laptops, desktops, servers and networks are protected with enterprise-grade software.

We continue to actively upgrade our technology infrastructure and applications to improve operational efficiency, customer service and decision-making process, as well as to keep pace with the changing and dynamic environment in the microfinance industry. We have made and continue to make, investments in maintaining and updating our technology infrastructure, systems applications and business solutions, which have improved customer satisfaction and sales, and lowered our processing costs. As of July 31, 2024, we employed 7 members in our information technology team, who are responsible for, among other things, data security systems, and technological infrastructure and applications. Overall, these initiatives demonstrate our commitment to leveraging technology for continuous improvement, ensuring optimal customer service and positioning ourselves for sustained growth in the ever-changing financial landscape.

## Compliance, Internal Audit and Internal Controls

### *Compliance with Capital Adequacy Ratio Requirements*

For Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively, our CRAR was 20.41%, 17.27% and 18.28%, our CRAR – Tier 1 was 19.21%, 17.04% and 17.99%, respectively and our CRAR – Tier 2 was 1.20%, 0.23% and 0.29%, respectively. These numbers are computed in accordance with the extant master direction and prudential norms issued by RBI as applicable to an NBFC-MFI. Under the NBFC-SBR Master Directions, we are required to maintain a minimum CRAR, consisting of Tier 1 and Tier 2 capital, which shall not be less than 15% of our aggregate risk weighted assets on-balance sheet.

### *Internal Audit and Internal Controls*

We maintain an internal control framework which is a prerequisite for the growth of business, and it covers guidelines to ensure KYC and AML compliances. We have well documented policies and procedures which are commensurate with our size. Our internal audit team conducts periodic audits of all branches and even conducts field visits to customers.

The Master Direction – Know Your Customer (KYC) Direction, 2016 requires Know Your Customer (KYC) policy duly approved by the Board of Directors of regulated entities (as defined in the master direction) or any committee of the Board to which power has been delegated. The KYC policy is required to include following four key elements: (i) Customer Acceptance Policy; (ii) Risk Management; (iii) Customer Identification Procedures and Customer Due Diligence Procedures; and (iv) Monitoring of Transactions. Compliance with the policy is to be ensured through: (i) specifying as to who constitute ‘Senior Management’ for the purpose of KYC compliance, (ii) allocation of responsibility for effective implementation of policies and procedures, (iii) independent evaluation of the compliance functions of REs’ policies and procedures, including legal and regulatory requirements, (iv) concurrent/internal audit system to verify the compliance with KYC/AML policies and procedures, and (v) submission of quarterly audit notes and compliance to the audit committee. We are in compliance with these requirements and have drafted a Know Your Customer (KYC) policy.

Our internal audit team consists of 9 employees, as of July 31, 2024. This team is dedicated to ensuring that business operations are carried out efficiently, adhering to our policies and ensuring compliance. At the start of each financial year, our internal audit team rolls out and approve the audit plan for risk-based corporate audits and branch internal audits. The internal audit team aims to find errors, problems or policy breaches and procedures before the consequences of such incidence turn severe and helps to identify new or unidentified risks.

Based on the extent of compliance and adherence to systems, policies and procedures, the audited branches are assigned compliance scores. Audit ratings are categorized as high, medium, or low based on risk and probability of occurrence.

Apart from branch audits, the internal audit function also covers corporate functions like human resources, finance and treasury, secretarial and compliance and administration and credit operations. Presently, the information systems audit is carried out by third party but the responsibility and accountability for such external information systems audit remains with the internal audit function. The internal audit function helps in identifying exceptions across multiple parameters and accordingly suggests actions for any course correction. The exceptions identified are also used as data points while performing the regular audit of branches.

The observations of the in-house audit team are then discussed with the senior management and presented to the Audit Committee every quarter.

#### Compliance with the NBFC-SBR Master Directions

Our Company is registered with the RBI as an NBFC-MFI, which requires us to comply with the NBFC-SBR Master Directions. The former NBFC-MFI Directions have been replaced by and consolidated into the NBFC- SBR Master Directions.

Criteria	NBFC-SBR Master Directions and NBFC-ND-SI Master Directions/ RBI (Regulatory Framework for Microfinance Loans) Directions, 2022	Our Compliance Status
<b>Loan Portfolio – Qualifying Assets</b>	At least 75.00% of total assets to be in the nature of “qualifying assets” as defined in the RBI (RFML) Directions	“Qualifying assets” constituted 76.67% of our Total Assets, as of March 31, 2024.
<b>Household Income</b>	Total household income of the borrower to be below ₹300,000	Complied
<b>Policy on maximum repayment outflows from account of the borrower</b>	A board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income is required to be framed. This shall be subject to a limit of maximum 50 per cent of the monthly household income, including both principal as well as interest component.	We have framed a board approved policy and comply with this norm.
<b>Collateral</b>	Loan to be extended without collateral	Qualifying Asset – 100% unsecured
<b>Mode of Repayment</b>	NBFC-MFI to have a board-approved policy to provide the flexibility of repayment periodicity on the microfinance loans as per the borrower’s requirement	Monthly, although all options are given to borrowers
<b>Disclosure of pricing related information</b>	A standardized simplified fact sheet to be shared to all customers with working of Effective Interest Rate and other pricing related information to all borrowers	Standard fact sheet and other disclosures are available in the Product section of our website
<b>Insurance Premium</b>	The actual cost of insurance for group, livestock, life and health of borrower and spouse can be recovered. However, administrative charges can only be recovered as per the applicable guidelines issued by the IRDA.	Company is insuring its borrowers (and co-borrowers) to the extent of the disbursed loan amount
<b>Security Deposit</b>	No security deposit or margin should be taken from the borrower.	Unsecured, no security deposit taken since inception
<b>Asset Classification</b>	Standard asset means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; Asset for which interest or principal payment has remained overdue for more than 90 days to be classified as an NPA	In line with RBI norms
<b>Loan Provisioning</b>	Loan provision for non-performing assets related to microfinance loans of NBFC-MFIs shall not be less than the higher of: a) 1% of the outstanding loan portfolio;	In line with RBI norms



	b) 50% of the aggregate loan installments overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments overdue for 180 days or more.	
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## **Risk Management**

We have implemented a simplified and robust risk management framework to identify, measure and mitigate business risks and opportunities. This framework is crucial in managing market, credit and operational risks, while also quantifying their potential impact at a company-wide level. Given the nature of our business, it has become an imperative measure of our performance for stakeholders such as investors, shareholders and regulators, and has thus become an integral part of our operations.

Our risk management structure is formed based on the following pillars:

- Identification of various risks across all lines of business and functions, including processes and policies.
- Assessment of these risks by assigning probabilities and impact levels to each risk, prioritizing the importance of mitigation and controls.
- Mitigation of risks through regular reviews of control adequacy and checks to ensure optimal results.
- Measurement and monitoring of risks through the establishment of key risk indicators with defined thresholds for all critical risks.
- Adequate review mechanisms in place to continually monitor and control risks.

Our overall risk governance is structured around the business line management and the finance function, who are responsible for identifying and managing the risks inherent in the products, services and activities undertaken by the Company on a day-to-day basis, the risk management team and the compliance team where they design, measure, implement, co-ordinate, report and facilitate effective risk management on a company-wide basis and the last is the independent internal audit function and the vigilance function where they review the appropriateness of the risk management policies and procedures, and their effective implementation as per the stipulated regulatory guidelines. By adhering to this risk governance structure, we ensure that we effectively manage risks, maintains transparency and enhances stakeholder confidence in our risk management practices.

Furthermore, our customer due diligence procedures encompass multiple levels of checks and controls designed to assess the quality of customers and confirm that they meet our selection criteria. These checks and controls include a comprehensive evaluation of repayment capacity as well as group training sessions and knowledge testing. We also utilize credit bureau data to verify customer details and obtain information on past credit behavior. Furthermore, we periodically evaluate portfolio risk levels and rigorously monitor and analyze cash disbursements and collections, and customer retention at both branch and head office levels, which helps in minimizing the incidence of bad debts.

We have identified the following as key risk areas:

### ***Credit Risk***

Credit risk is the inherent risk that a customer or counterparty's inability or unwillingness of a customer to meet their commitments, resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances and trade receivables. For a microfinance institution like us, this carries more significance since the lending that we carry out is not backed by any collateral. Other potential sources of credit risk may originate from adverse selection of members during the group formation, adverse selection of groups undertaking the lending activity, gaps in creditworthiness assessment and undue influence, among others. In recognition to these potential pitfalls, we have a robust risk assessment framework to address these risks, such as robust criteria on selection of client base, adequate due diligence process of customers, adequate training and knowledge of the JLGs operations, and regular follow-ups with the JLGs. We use technology across our business processes, including sourcing, underwriting, disbursement and collections, in order to ensure accuracy and authenticity of information. We also continue to monitor loans at a homogenous pool basis on a regular basis as a part of interactions with the customers at the customers service meetings and any deterioration in the performance of the pool are immediately pointed out to the senior management team and detailed analysis will be carried out to identify the cause. Any feedbacks related to delinquencies are implemented and updated in our credit underwriting policies. We have four level of checks, namely CGT, credit bureau check, group recognition test ("GRT") and centralised credit team, with final validations and sanctions at the head office level. We have a detailed Board-approved credit policy to mitigate and address

the credit risk. We have also implemented real-time collections monitoring, which help ensure that delays in collections are highlighted and addressed.

For further details, please see, “**Risk Factors** –Microfinance borrowers in India generally do not have access to other forms of organized lending and ₹ 17,573.81 Lakhs representing 100% of our gross loan portfolio are unsecured as of March 31, 2024. As a result, we may experience increased levels of NPA (which as of March 31, 2024 is at 1.21%) and related provisions and write-offs that may adversely affect our business, financial condition and results of operations” on page 31.

### **Liquidity Risk**

Liquidity risk is the risk related to mismatch in maturity patterns of assets and liabilities of the Company. We assess our liquidity risk by considering the present and anticipated asset quality, present and future earnings capacity, historical funding requirements, current liquidity position, anticipated future funding needs and sources of funds. We maintain a portfolio of marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also enters into direct assignment of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company’s policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short- term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions and issue of debentures are also considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

For further details, please see, “**Risk Factors** – Changes in the tenure of our loan products could result in asset liability mismatches and expose us to interest rate and liquidity risks, which may adversely affect our business, financial condition, results of operations and cash flows” on page 46.

### **Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market factors. We believe that the key market factors that present market risk to us are as follows:

- **Interest rate risk.** We are subject to interest rate risk (i.e., the risk that future cash flows of a financial instrument will fluctuate because change in the market’s interest rates) because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Furthermore, our Asset Liability Management Committee evaluates asset liability management and ensures that all significant mismatches, if any, are being managed appropriately.
- **Price risk.** We are exposed to price risk primarily on account of our investment of temporary treasury surpluses in highly liquid debt funds for short durations. The Company has a Board-approved policy of investing its surplus funds in securities issued by the central government including treasury bills, state governments, financial institutions, term deposits with banks, mutual funds, security receipts in which our Company acts as a collection agent, etc.
- **Currency risk.** We may be subject to currency risk primarily on account of our foreign currency borrowings. Our exposure is managed in accordance to our foreign exchange risk management policy that has been approved by our Board. Our foreign currency borrowings as of March 31, 2024 was ₹ 1,359.75 Lakhs.
- **Prepayment risk.** We are subject to prepayment risk whereby we may incur a financial loss as a result of our customers and counterparties repay or request for an earlier or later repayment.

For further details, please see “**Risk Factors** – Changes in the tenure of our loan products could result in asset liability mismatches and expose us to interest rate and liquidity risks, which may adversely affect our business, financial condition, results of operations and cash flows” on page 46.

### **Concentration Risk**

We seek to mitigate concentration risk in both our loan portfolio and borrowings through well-defined geographic diversification strategies. We understand and analyse the risks involved based on our current geographic concentration. We regularly perform in-depth analysis every quarter, which we share with the Risk Management Committee, on the breakdown of asset under management based on districts, to monitor and keep track of relevant trends in a timely fashion. While a significant portion of our gross loan portfolio is attributable from Bihar, we have expanded our business operations outside the region in recent years.

### **Information Security Risk**

Our independent information security team is responsible for information-related risk management and compliance. Our Information Technology Strategy Committee, as instituted in accordance with RBI's directions and guidelines, is responsible for approving the IT strategy and policy documents and ensuring effective strategic planning process.

For further details, please see, *“Risk Factors – We face the threat of cyber-fraud and cyber-attacks, such as hacking, phishing and theft of sensitive internal data or customer information. We also face the threat of a system breakdown, network outage and system failure. These may damage our reputation and adversely affect our business and results of operations”* on page 58

### **Operational Risk**

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk. We have a Board-approved operational risk management policy and integrated risk management policy, which is implemented by our Risk Management Committee. The business units and support functions are also accountable for operational risks and controls in their respective areas, which they manage under the policies, standards, processes, procedures and operational risk management framework laid down by the independent operational risk management function. We have a comprehensive framework for approval of new products and processes along with detailed operating guidelines for risk management. This includes conducting markets surveys prior to establishing new branches, conducting due diligence on existing and potential customers, and processes relating to employee verification. We have an internal framework for reporting and capturing operational risk incidents. Significant incidents reported are investigated to assess weaknesses in controls and identify areas for improvement. Disaster recovery centres and business continuity plans have been established to ensure continuity of operations and minimal disruption to customer services. These plans are periodically tested and reviewed to ensure their effectiveness.

For further details, please see, *“Risk Factors – We face various risks associated with our large number of branches and widespread network of operations, which may adversely affect our business, financial condition and results of operations”* on page 36

### **Fraud Risk**

Our large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. We have a whistle-blower policy for employees to confidentially raise concerns on any fraud, malpractice or any other untoward activity or event.

For further details, please see *“Risk Factors – For the Fiscal 2024, 87.28% of our collections from customers is in cash, exposing us to operational risks. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our business”* on page 34.

### **Political Risk**

We recognize political risk as one of the major risks facing the microfinance industry. Political risk can be mitigated through responsible lending and fair practice by:

- conducting risk analysis, in particular by evaluating and analysing local political climate, recent history and market reports before expanding our branch network;
- engaging with customers and society at large on matters relating to financial literacy; and
- studying market survey reports published by self-regulatory organizations, such as microfinance institutions network, in order to monitor and keep track of current market data.

### **GRADING AND CREDIT RATINGS**

We have obtained the grading and credit ratings below:

Grading / Credit Rating	Organization	Date of Rating/Grading	Instrument
BBB-	Infomercials Valuation and Rating Private	October 05, 2023	Long Term Fund Based Facility – Term Loan Long Term Fund Based Facility – Cash Credit Long Term Facility – Non-Convertible Debentures (NCDs)

	Limited		Proposed Long Term Fund Based facility – Term Loan Proposed Long Term Facility – Non-Convertible Debentures (NCDs)
BBB-	Infomerics Valuation and Rating Private Limited	October 07, 2022	Long Term Fund Based Facility – Term Loan Long Term Fund Based Facility – Cash Credit Proposed Long Term Fund Based facility – Term Loan Proposed Long Term Facility – Non-Convertible Debentures (NCDs)
BBB-	Infomerics Valuation and Rating Private Limited	December 03, 2021	Long Term Fund Based Facility – Term Loan Proposed Long Term Fund Based facility – Term Loan
BBB-	Infomerics Valuation and Rating Private Limited	June 29, 2021	Long Term Fund Based Facility – Term Loan Proposed Long Term Fund Based facility – Term Loan
M2C1	SMERA	February 21, 2024 & March 30, 2024	NA
M3C2	SMERA	January 31, 2023	NA
M3C2	SMERA	February 28, 2022	NA
M3C2	SMERA	January 30, 2021	NA

See “**Risk Factors** – Any downgrade of our credit ratings may constrain our access to equity and debt markets and, as a result, may adversely affect our cost of borrowings and our results of operations” on page 40

## COMPETITION

We face our most significant competition from other MFIs, SFBs, commercial banks and state-sponsored programs in India. Furthermore, many of our potential customers do not have access to any form of organized institutional lending and thus, rely on loans from informal sources (such as moneylenders, landlord, loan sharks, at much higher rates).

## EMPLOYEES

As of July 31, 2024, we had 541 full-time employees. The table below provides a breakdown of our employees by their functions as of July 31, 2024:

Department	Number of people*
Accounts and Audit	21
HR and Administrative	12
Client connect initiative	1
Collection	23
Compliance	1
Credit	11
Finance	1
Insurance	2
IT/MIS	8
Management	2
Operations	450
Quality	5
Training	3
Treasury	1
<b>Total</b>	<b>541</b>

\*Includes employees on probation and permanent employees.

We have a systematic selection process for all levels of employees. The selection criteria and process for hiring employees includes several stages and checks to ensure that qualified personnel are selected. The pre- screening process reviews the applicant’s credentials and qualifications, including but not limited to, educational background, employment history, expected remuneration, etc. Candidates will go through personal interviews and the required documents for such interview includes resume, residence proof, address proof, educational history and employment records, among others. Upon the

completion of the interview process, we conduct a pre-offer documentation process, which includes KYC proofs and past compensation documents.

We conduct periodical reviews of our employees' performance and determine salaries and discretionary bonuses based upon those reviews and general market conditions. We endeavor to maintain good working relationships with our employees and have not experienced any significant employee disputes or strikes. Our employees are not subject to any collective bargaining agreements or represented by labour unions.

## INSURANCE

We generally maintain insurance policies customary for companies operating in our industry. We also maintain insurance policies covering our fixed assets, machinery and equipment, portable equipment and third-party products, which protects us in the event of certain natural disasters or third-party injury, fidelity guarantee insurance policy, burglary insurance policy, public liability – offices and residential premises policy, fire insurance policy, money insurance policy and group life insurance for employees and directors.

Sr. No	Name of Insurance company	Type of policy	Policy Number	Sum Insured (₹ in Lakhs)	Period of Insurance	Premium Paid (₹ in Lakhs)
1.	Zuno Group Health Insurance Policy	Group Medical Coverage (GMC)	EGIC01-102707-00-000	₹ 503.00*	From September 09, 2023 to September 08, 2024	₹ 6.20*
2.	Zuno Group Health Insurance Policy	Group Personnel Accident (GPA)	EGIC01-102709-00-000	₹ 2,012.00*	From September 09, 2023 to September 08, 2024	₹ 0.84*
3.	Future Generali India Insurance Co Ltd	D & O Policy	2023-L0243275-FDO	₹ 750.00	From September 25, 2023 to September 24, 2024	₹ 0.70
4.	ICICI Pru Group Term Plus	Group Term Life Insurance Plan	00010067	₹ 3,020.00	From April 26, 2024 to April 26, 2025	₹ 3.20
5.	IFFCO - Tokio General Insurance Co. Ltd	Office & Professional Establishment Protector Insurance policy (Sookshma Udyam)	47C92057	₹ 6,075.00	From April 28, 2024 to April 27, 2025	₹ 8.97

\*updated pursuant to respective endorsement schedules dated April 10, 2024

Furthermore, we provide all clients and their spouses with life insurance coverage to protect them from financial risks arising from death of income earners within the household. The life insurance covers the entire loan exposure and repayment duration. See **“Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations”** on page 51.

## OUR PROPERTIES

### Immovable Properties

We do not own any property. We have lease property for our Registered office, Corporate Office and branch offices. The brief details of properties on lease by our Company are set out below -

Sr. No.	Details Of Property	Owner/ Lessor	Validity of Agreement	Lease Rent	Name of Lessor	Purpose Used
Uttar Pradesh						
1.	Dhani Bazar Near Chhappan Bhog Mithan Bhandar Post Dhani Tahsil - Farinda Uttar Pradesh - 273161	Lessor	July 21, 2024 to June 20, 2025	₹ 13,000	Rajesh Kumar Jaiswal	Branch office
2.	Ward No. 11, Tahsil - Tiraha, Gola Bazar, District -	Lessor	July 01, 2024 to May 31, 2025	₹ 13,781	Patti Devi	Branch office

	Gorakhpur, Uttar Pradesh - 273408					
3.	Ward No. 15, Veer Savarkar Nagar, In Front of Deevani Kachahri, Kushinagar, Uttar Pradesh - 274402	Lessor	November 01, 2023 to September 30, 2024	₹ 13,000	Maddheshiya	Branch office
4.	Kotva Road, Near Prathmik Vidyalay, Hathaudha, District-Barabanki, Uttar Pradesh - 225405	Lessor	February 15 15, 2024 to January 14, 2025	₹ 12,500	Niranjan Kumar	Branch office
5.	Ward No. 11, Lohia Nagar, Nichlaul, District-Maharajganj, Uttar Pradesh - 273304	Lessor	June 01, 2024 to April 30, 2025	₹ 14,175	Sona Devi	Branch office
6.	Village- Nindoora, Barabanki, Uttar Pradesh - 225302	Lessor	January 20, 2024 to December 19, 2024	₹ 7,000	Sri Chandra	Branch office
7.	Near Pashu Bazar, Eidgah, Jagal Jhahava, Peepaganj, District- Gorakhpur, Uttar Pradesh - 273165	Lessor	June 01, 2024 to April 30, 2025	₹ 13,799	Shiv Narayan Jaiswal	Branch office
8.	Village - Shivajipuram, Near Bhitahara Talav Paisaar Navaabganj, District-Barabanki - 225001	Lessor	January 12, 2024 to December 11, 2024	₹ 10,000	Sandhya Devi	Branch office
9.	Ward No. 10, Hanuman Nagar, Pahad Road Nagar Panchayat, Eitawa, Siddharth Nagar, Uttar Pradesh - 272192	Lessor	November 15, 2023 to October 14, 2024	₹ 14,000	Shahjahan Khatoon	Branch office
10.	Kulhai Bazaar, Main Road Brajam Ganjh, Behind Honda Showroom, Maharajganjh, Uttar Pradesh - 273162	Lessor	November 01, 2023 to September 30, 2024	₹ 15,730	Ghanshyam	Branch office
11.	Village & Post- Ratanpur, Near Samudayik Swastha Kendra, Tahsil- Nautanva, District- Maharajganj, Uttar Pradesh 273164	Lessor	March 01, 2024 to January 31, 2025	₹ 12,600	Ganesh Giri	Branch office
12.	Near Pashu Bazar, Eidgah, Jagal Jhahava, Peepaganj, District- Gorakhpur, Uttar Pradesh - 273165	Lessor	April 01, 2024 to February 28, 2025	₹ 24,972	Sunita	Branch office
13.	Ward No. 15, Kabir Nagar, Siswa Bazar, Maharajganj, Uttar Pradesh - 273163	Lessor	August 01, 2024 to June 30, 2025	₹ 14,715	Jadawati Devi	Branch office
14.	Sukrouli Bazaar, Near Nehru Inter College, Tahsil - Hata, District- Kushinagar Uttar Pradesh - 274207	Lessor	March 01, 2024 to January 31, 2025	₹ 14,000	Reeta Devi	Branch office
15.	Ward No. 12, Malviya Nagar, Sevrachi Kushinagar, Uttar Pradesh - 274406	Lessor	June 01, 2024 to April 30, 2025	₹ 15,225	Rashid Ansari	Branch office
16.	Suryapuram Collony, Near Sai Aata Chakki, Awaas Vikaas, Nandanpura, Jhansi, Uttar Pradesh - 284003	Lessor	November 01, 2023 to September 30, 2024	₹ 26,000	Aarti Gupta	Branch office
17.	Village Mithaura Bazar Near Nirmala Inter College Tahsil Nichlaul Thana Mithaura	Lessor	July 10, 2024 to May 31, 2025	₹ 12,000	Ranjana Devi	Branch office

	Bazar Dist Maharajganj Up-273303					
18.	Iradat Nagar Road, Near Over Bridge, Post & Thana- Saiyan, Tehsil- Khairagarh, District - Agra, (Up) 283124	Lessor	August 01, 2024 to June 30, 2025	₹ 13,500	Mohar Singh	Branch office
19.	Ward No. 2, Ramlal Mohalla, Abhuapura, Kiroli, Post & Thana -Kiroli, Tehsil- Kiroli, District- Agra, (Up) 283122	Lessor	August 01, 2024 to June 30, 2025	₹ 13,500	Hariom	Branch office
20.	Lakha Bazar, Aligarh Bulandshahr Road, Gabhana Bus Stand Ke Pass, Post Office & Thana Gabhana, Tehsil Gabhana, Distt Aligarh, (Up) 202136	Lessor	August 01, 2024 to June 30, 2025	₹ 12,000	Rajbala	Branch office
21.	Mohalla Sarai Kishanchand, Dharampur Road Dibai, Post Office & Police Station – Dibai, District – Bundalshahr – (Uttar Pradesh) – 202393	Lessor	Lease August 01, 2024 June 30, 2025	₹ 15,000	Soran Singh	Branch office
22.	Laxmi Colony, Near Over Bridge, Agra Delhi Road, Behind Marry Inn Hotel, Post & Thana-Chhata, District- Mathura (Uttar Pradesh)- 281401	Lessor	August 01, 2024 to June 30, 2025	₹ 12,000	Mithlesh	Branch office
23.	Chandpur Road, Shiv Lok Colony, Balipura, Post & Thana - Bulandshahr, District- Bulandshahr - (Uttar Pradesh) - 203001	Lessor	August 01, 2024 to June 30, 2025	₹ 9,000	Shaili	Branch office

Sr. No.	Details Of Property	Owner/ Lessor	Validity of Agreement	Lease Rent	Name of Lessor	Purpose Used
<b>Bihar</b>						
24.	Ward No. 9, Nagar Panchayat Behta, Thana - Benipatti, District- Madhubani, Bihar - 847223	Lessor	August 01, 2024 to July 31, 2025	₹ 15,730	Ram Nivas Prasad	Branch office
25.	Ward No. 25, Purana Cinema Hall, Near Jeevan Hospital, Karahari, Benipur, Holding No. -677, Benipur, Darbhanga Bihar - 127306	Lessor	August 01, 2024 to June 30, 2025	₹ 13,310	Ram Krishna Jha	Branch office
26.	Ward No. 12 Subdivision, Village - Manjhaul, In Front of Kali Mata Mandir, Manjhaul Thana - Cheriya Bariyarpur, District - Begusarai, Uttar Pradesh - 851127	Lessor	October 01, 2023 to September 30, 2024	₹ 12,000	Kanhaiya Prasad	Branch office
27.	Sanda Dambar Ward No. 12, Room No. - 55, Motipur Baruraj, District - Mujhhafarpur Bihar - 843111	Lessor	July 01, 2024 to May 31, 2025	₹ 9,663	Kumar Balkrishna	Branch office
28.	Gram & Post - Khesrai Patepur, Thana - Patepur, District - Vaishaali Bihar - 843114	Lessor	April 01, 2024 to February 28, 2025	₹ 15,469	Vijeta Kumari	Branch office



29.	Suryanarayan Yadav Building, Fulparas, Anumandal Road India-1 Atm Near Sbi Bank Fulparas, Madhubani Bihar - 847409	Lessor	September 18, 2023 to August 31, 2024*	₹ 11,000	Anil Kumar	Branch office
30.	Rajputana Tola, Jaynagar, Basti Post & Thana- Jayanagar, District - Madhubani Bihar 847226	Lessor	September 18, 2023 to August 31, 2024*	₹ 9,000	Jai Prakash	Branch office
31.	Sahta Bhagwanpur- Sahtha District - Vaishali, Bihar - 844123	Lessor	November 01, 2023 to September 30, 2024	₹ 15,125	Manju Devi	Branch office
32.	Ward No. 1, Near Sanskrit Vidyalaly, Bhagwanpur Chakhsekh Dalithansray, District - Samastipur Bihar - 848114	Lessor	October 01, 2023 to August 31, 2024*	₹ 15,730	Pappu Chaudhari	Branch office
33.	Plot Number - New Gagasagar Colony Near Ram Chowk, Madhubani, Bihar - 847212	Lessor	August 01, 2024 to June 30, 2025	₹ 16,940	Yogendra Yadav	Branch office
34.	Gram - Rampur, Runnisaidpur, Runnisaidpur Uttari, Ward No. 10 Near D A V School, Block - Runnisaidpur, District- Sitamadhi Bihar - 843328	Lessor	September 01, 2024 to July 31, 2025	₹ 12,600	Ashok Kumar	Branch office
35.	Gram + Post - Bhutahi, Ward No. -2, Near Indian Petrol Pump Thana - Sonbarsa, District - Sitamadhi, Bihar - 843317	Lessor	October 01, 2023 to August 31, 2024*	₹ 10,000	Sanjeet Kumar	Branch office
36.	G N Road Ward No. 41, Near Commercial Chowk, Front of Masjid, Lehriyas Saray, District - Darbhanga Bihar - 846001	Lessor	August 01, 2024 to June 30, 2025	₹ 18,634	Murthuja Ali	Branch office
37.	Plot Number - Girdhar Gopal Nivaas, First Floor, Prabhu Thakur Mohalla Sh. 88 Bhiraha Road, Panchpur, Post Office - Rosda, Thana - Rosda, District - Samastipur Bihar - 848210	Lessor	August 01, 2024 to June 30, 2025	₹ 13,750	Gopal Mahto	Branch office
38.	Ward No. 7 Cold Star, Undi Shahpur Patori, District - Samastipur Bihar 848504	Lessor	August 01, 2024 to June 30, 2025	₹ 14,500	Jawahar Prasad	Branch office
39.	Ward No. 8, Dharampur, Samastipur Bihar -848103	Lessor	May 01, 2024 to April 30, 2026	₹ 18,700	Ashraf	Branch office

\*The validity of the said agreement has been expired and renewal is under process

Sr. No.	Details Of Property	Owner/ Lessor	Validity of Agreement	Lease Rent	Name of Lessor	Purpose Used
Madhya Pradesh						
40.	Ward No.07, Bada Malhara, Chhatarpur Mp - 471311	Lessor	June 01, 2024 to April 30, 2025	₹ 3,200	Shandhya Jain	Branch office

41.	Ward No. 11 Suryanagar Colony Dabra Gwalior Madhya Pradesh - 475110	Lessor	September 01, 2024 to July 31, 2025	₹ 15,950	Hemant Patasariya	Branch office
42.	Nayak Colony, Behind Purani Gali Mandi, Khargapur, District - Tikamgaadh Madhya Pradesh - 472115	Lessor	June 01, 2024 to April 30, 2025	₹ 10,980	Ram Swarup Yadav	Branch office
43.	Ward No. 24 Saralanagar Road, Harnampur Maiha Tahsil - Maihar, District - Satna, Madhya Pradesh -	Lessor	April 01, 2024 to February 28, 2025	₹ 15,306	Arvind Kumar Pandey	Branch office
44.	Near Bay Pass Over Bridge, Mangawan District Rewa Mp.486111	Lessor	July 10, 2024 to May 10, 2025	₹ 4,500	Prem Lata Mishra	Branch office
45.	Shri Krishna Kunj Sant Sai School, M H Chauraha, Muraar Gwalior, Madhya Pradesh - 474006	Lessor	April 01, 2024 to February 28, 2025	₹ 16,170	Suresh Singh Yadav	Branch office
46.	Gram Koni, Tahsil Nagauda Dist - Satna, Madhya Pradesh - 485446	Lessor	July 01, 2024 to May 31, 2025	₹ 12,155	Anant Singh	Branch office
47.	Ward No. 9 Karora Bypass Narvar Mp - 473880	Lessor	January 15, 2024 to December 31, 2024	₹ 14,000	Mithlesh Rajput	Branch office
48.	Aadarsh Saraswati, Near Higher Secondary School, Peepal Nagari Niwaaas, Sangrauli, Mp - 486669	Lessor	August 01, 2024 to June 30, 2025	₹ 13,750	Lalmani Sahu	Branch office
49.	Near Police Thana Honda Agency, Reeve Seedhi Main Road, Rampur, Naikin, Mp - 486775	Lessor	August 01, 2024 to June 30, 2025	₹ 15,000	Rampratap Dube	Branch office
50.	A B Road, Yadav Billa, Near State Bank of India, Front of Panjab National Bank, Dist-Muraina, Mp - 476444	Lessor	August 01, 2024 to June 30, 2025	₹ 15,400	Rameshwar	Branch office
51.	Khasra No. 377/1/1/1 Ward No. 14 Makan No. 2584 Krishna Colony, Near Naye Thana Harpalpur, Tahsil - Naugaon, Chhatarpur, M P - 471111	Lessor	August 01, 2024 to June 30, 2025	₹ 12,100	Rajendra Yadav	Branch office
52.	Nishant Vasant Vihar Colony, Gali No 9 Near Gali No. 4, Rajendra Nagar, Satna, Mp - 485001	Lessor	July 01, 2024 to May 31, 2025	₹ 12,000	Aruna Bajpayee	Branch office
53.	Bankuiya Road Near Government High School In front of Bandhan Bank Maidani Rewa Mp-486001	Lessor	June 15, 2024 to May 14, 2025	₹ 12,000	Meera Dwivedi	Branch office
54.	Ward No. 10, Shaheed Shyam Lal Colony, Dakshin, Ksaindiya, Post- Seedhi, Tahsil - Gopadbanas, Dist.-Seedhi, Mp - 48661	Lessor	August 01, 2024 to June 30, 2025	₹ 9,350	Uma Gupta	Branch office
55.	Behind Blight House, Eidgah Colony, Tikamgaadh, Mp - 472001	Lessor	June 01, 2024 to April 30, 2025	₹ 17,567	Seema Khan	Branch office

\*The validity of the said agreement has been expired and renewal is under process.

Sr. No.	Details Of Property	Owner/ Lessor	Validity of Agreement	Lease Rent	Name of Lessor	Purpose Used
<b>Haryana</b>						
56.	House No - 424, Near Lic Office, Shiv Colony Mandi, Aadampur Haryana - 125052	Lessor	September 01, 2024 to July 31, 2025	₹ 12,100	Saroj	Branch office
57.	House Near Vikas Nagar, Swaraj Tractor Agency, Haansi Road, Barwala Dist - Hisar Haryana - 125121	Lessor	May 01, 2024 to March 31, 2025	₹ 15,500	Santro Devi	Branch office
58.	Gali No -3 Near New Bus Stand Bank Colony, Bhiwani, Haryana - 127021	Lessor	August 01, 2023 to June 30, 2025	₹ 11,979	Binesh	Branch office
59.	House No.-50, Ward No.-12 Adarsh Nagar Gali No.-9 Ekta Nagri Colony Near A-1 Dharmkata, Chautala Road Mandi Dabwali, Distt-Sirsa-125104 (Hr)	Lessor	July 01, 2024 to May 31, 2025	₹ 10,000	Raj Kumari	Branch office
60.	Makan No -14 Malviya Nagar, Behind Part - 2 Bus Stand, Tahsil - Naarnaul, Dist - Mahendragarh Haryana-123001	Lessor	March 25, 2024 to January 21, 2025	₹ 35,090	Saroj Devi	Branch office
61.	House No.248 Ward No. 5 Nakoda Bazaar Rania Rania Sirsa Haryana-125076	Lessor	June 01, 2024 to April 30, 2025	₹ 13,000	Raman Jain	Branch office
62.	1st Floor, Mauja Fatehbabaad Road, Ramnagar Colony, Ratiya Patiala Motor Garraze Dist - Fatehabad, Haryana - 125051	Lessor	October 01, 2023 to August 31, 2024*	₹ 14,850	Balraj Singh	Branch office
63.	Near Smla Satpal Sangwan M C Colony Ward No. - 18 Makan No - 502, Loharu Road, Mejbaan Chowk, Charkhi Dadari, Haryana - 127306	Lessor	May 05, 2024 to August 30, 2024*	₹ 2,500	Jai Prakash	Branch office
64.	Makan No - 160 Railway Colony Near Axn Karyalay Dist - Hisar Haryana - 125033	Lessor	December 01, 2023 to October 31, 2024	₹ 17,325	Mukesh Rani	Branch office
65.	Makan Near Rav Tularam Main Aashram Road Gali No-3 Phase -2 Rampura Revadi Tahsil & Dist - Revaadi Haryana - 123401	Lessor	December 21, 2023 to October 20, 2024	₹ 12,000	Preetam Yadav	Branch office
66.	Makan No - 2 Ward No -2 Vakeel Colony Siwani - Tahsil -Siwani, Dist - Bhiwani Haryana - 127046	Lessor	March 12, 2024 to February 11, 2025	₹ 14,850	Rajsingh Beniwal	Branch office
67.	House No - V 29/11a, Dlf, Phase - 3, Gurugram - 122002 Haryana*	Lessor	April 01, 2024 to March 31, 2026	₹ 60,000	Association For Stimulating Know How	Corporate Office


\*The validity of the said agreement has been expired and renewal is under process

Sr. No.	Details Of Property	Owner/ Lessor	Validity of Agreement	Lease Rent	Name of Lessor	Purpose Used
<b>Rajasthan</b>						
68.	Makan Near Maruti Suzuki Subhash Chowk, Baansur Tahsil - Baansur Dist - Alwar 301402	Lessor	July 01, 2024 to May 31, 2025	₹ 11,313	Omprakash Yadav	Branch office
69.	Nh-48 Near Rajeswari College Sri Syam Nagar Post Behror Tahsil Behror District Alwar Rajasthan-301707	Lessor	August 01, 2024 to June 30, 2025	₹ 13,500	Anuj Kumar	Branch office
70.	Makan Near Old Ward No - 13 Hall Ward No - 20 Near Saraswati School Tahsil - Bhadra Dist - Hanumangadh - 335501 Rajasthan	Lessor	March 01, 2024 to January 31, 2025	₹ 11,000	Bali Aamin	Branch office
71.	Makan 4/15 Ward No - 6, Near Shankar Dharamkaanta, Housing Board Colony Hanumangadh, Rajasthan - 335512	Lessor	June 01, 2024 to May 31, 2025	₹ 16,000	Anil Aahuja	Branch office
72.	Makan Near Gaanvdi Mod Near Balaji Mandir Chhoti Jamaat Ganvdi Mod Neemka Thana Sikar Rajasthan-332713	Lessor	July 01, 2024 to May 31, 2025	₹ 13,750	Balmukund Sharma	Branch office
73.	House No.444 Ward No.12 Adarsh Colony Near Shani Mahraj Mandir Nohar Rajasthan-335523	Lessor	May 27, 2024 to April 26, 2025	₹ 5,000	Budh Ram	Branch office
74.	First Floor, Jodhpur, Mishthaan Bhandaar, Near Godaam, Dhanko Mohalla, Ward No-23 Chidava Jhunjhunu Rajasthan - 333026	Lessor	February 01, 2024 to December 31, 2024	₹ 10,500	Reena Devi	Branch office
75.	Ward No - 2 Indra Colony Mandi Padampur Ganganagar, (Rajasthan) 335041	Lessor	July 01, 2024 to May 31, 2025	₹ 7,500	Vandana	Branch office
76.	Ward No.17 Khatike Ka Mohalla Shri Vijaynagar Ganganagar, Rajasthan-335704	Lessor	July 01, 2024 to May 31, 2025	₹ 5,000	Nem Chand	Branch office

Sr. No.	Details Of Property	Owner/ Lessor	Validity of Agreement	Lease Rent	Name of Lessor	Purpose Used
<b>New Delhi</b>						
77.	Shop No.223,2nd Floor Vardhman Dwarka Dheesh, Plot No.3 Sector-10 Dwarka New Delhi-110077#	Lessor	June 01, 2024 to April 30, 2025	₹ 22,000	Neelam Chopra	Registered Office

#### INTELLECTUAL PROPERTY

As on the date of the Draft Red Herring Prospectus, we have applied for registration of trademark as mentioned below:

Date of Application	Particulars of the Mark	Application Number	Class of Registration	Application status
July 17, 2024	 MITRATA	6529955	36	Formalities Chk Pass

For risk associated with our intellectual property please see, “***Risk Factors*** - *We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights*” beginning on page 55.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the chapter titled “Government and Other Statutory Approvals” beginning on page 273.*

### **Key Legislations Applicable to our Business**

#### ***The Reserve Bank of India Act, as amended (the “RBI Act”)***

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A company categorized as an NBFC is required to have a net owned fund of ₹2.5 million or such other amount, not exceeding ₹1,000 million, as the RBI may, by notification in the official gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC. 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 – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended (the “NBFC-ND-SI Directions”)***

The RBI had issued the master directions dated September 1, 2016, as amended, which apply to NBFCs who are systemically important NBFCs. These directions apply to the following categories of NBFCs (“**Applicable NBFCs**”):

- i. Systemically Important Non-Deposit taking NBFC (“**NBFC-ND-SI**”) registered with the RBI under the provisions of RBI Act;
- ii. deposit taking NBFC registered with the RBI under the provisions of the RBI Act;
- iii. NBFC - factor (as defined in the NBFC-ND-SI Directions) and registered under section 3 of the Factoring Regulation Act, 2011, as amended, having an asset size of ₹5,000 million and above;
- iv. every infrastructure debt fund NBFC registered with the RBI under the provisions of the RBI Act;
- v. every NBFC - Micro Finance Institutions (“**NBFC-MFIs**”) registered with the RBI under the provisions of the RBI Act and having an asset size of ₹5,000 million and above; and
- vi. every NBFC - Infrastructure Finance Company (as defined in the NBFC-ND-SI Directions) registered with the RBI under the provisions of the RBI Act and having an asset size of ₹5,000 million and above

An NBFC-MFI means a non-deposit taking NBFC (other than a company formed and registered under section 25 of the Companies Act, 1956) that fulfils the following conditions:

- i. a minimum net owned fund of ₹50 million (for NBFC-MFIs registered in North Eastern regions of India, the minimum net owned fund requirement shall stand at ₹20 million); and,
- ii. not less than 75% of its total assets are in the nature of “microfinance loans” as defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022.

Pursuant to the Circular dated October 22, 2021 on SBR Framework (defined hereinafter), the RBI has notified that the NBFC - MFIs shall be subject to a minimum net owned fund requirement of ₹100 million from October 01, 2022. Existing MFIs holding a certificate of registration as on October 22, 2021 issued by the RBI and having net owned fund of less than ₹100 million are required to achieve the net owned fund of ₹100 million by March 31, 2027 in accordance with the following glide path:

<b>NBFCs</b>	<b>By March 31, 2025</b>	<b>By March 31, 2027</b>
NBFC-MFI	₹70 million	₹100 million
NBFC-MFI in North Eastern Region of the country	₹50 million	₹100 million

NBFC-ND-SI means an NBFC not accepting or holding public deposits and having total assets of ₹5,000 million and above as shown in the last audited balance sheet.

#### *Corporate Governance*

##### *Constitution of Committees*

All Applicable NBFCs are required to constitute the committees disclosed below:

- i. *Audit Committee*: NBFCs are required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under section 177 of the Companies Act is the audit committee for the purposes of the NBFC-ND-SI Directions as well. The Audit Committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs;
- ii. *Nomination Committee*: NBFCs are required to constitute a nomination committee to ensure 'fit and proper' status of proposed or existing directors, having the same powers and functions as the nomination and remuneration committee required to be constituted under section 178(5) the Companies Act and regulation 20 of the SEBI Listing Regulations;
- iii. *Risk Management Committee*: NBFCs are required to constitute a risk management committee to manage the integrated risk; and
- iv. *Asset Liability Management Committee*: NBFCs are required to constitute an asset liability management committee consisting of the NBFC's top management. The asset liability management committee shall be responsible for ensuring adherence to the risk tolerance/ limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The asset liability management committee is required to be headed by the chief executive officer/managing director or the executive director of such NBFC.

Fit and proper criteria: Applicable NBFCs are required to (a) maintain a policy approved by the board of directors for the approval for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the NBFC-ND-SI Directions; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the NBFC-ND-SI Directions; (c) obtain a deed of covenant signed by directors, in the format prescribed under the NBFC-ND-SI Directions; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the Applicable NBFCs that fit and proper criteria in selection of the directors has been followed. The statement must be submitted to the regional office of the Department of Non-Banking Supervision of the RBI where the Applicable NBFC is registered, within 15 days of the close of the respective quarter. The statement submitted for the quarter ending March 31, is required to be certified by the auditors.

Disclosures and Transparency: Applicable NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by the board of directors, the following:

- i. progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned NBFC.
- ii. conformity with corporate governance standards including composition of committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions etc.

Applicable NBFCs are required to inter alia disclose the following in their annual financial statements:

- i. registration/ licence/ authorization obtained from other financial sector regulators;
- ii. ratings assigned by credit rating agencies and migration of ratings during the year;
- iii. penalties, if any, levied by any regulator;
- iv. information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
- v. asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the NBFC SBR Master Directions

Applicable NBFCs shall rotate the partners of the chartered accountant firm conducting the audit, every three years so that the same partner shall not conduct audit of such NBFC continuously for more than three years. Further, such 249 NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.



## Acquisition or Transfer of Control

Applicable NBFCs are required to obtain prior written permission of the RBI for, (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buyback of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the Applicable NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation.

### *Prudential Norms:*

All NBFC-MFIs are required to maintain capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets. The total of Tier II Capital at any point of time, shall not exceed 100% of Tier I capital.

## Liquidity Risk Management Framework and Liquidity Coverage Ratio

### Liquidity Risk Management Framework

Applicable non-deposit taking NBFCs are required to adhere to the liquidity risk management guidelines prescribed under the NBFC-ND-SI Directions. The guidelines, inter alia, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework which ensures that the NBFC maintains sufficient liquidity. Such framework shall detail entity-level liquidity risk tolerance, funding strategies, prudential limits, system for measuring, assessing, and reporting/reviewing liquidity framework for stress testing, liquidity planning under alternative scenarios, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections; etc.

### Liquidity Coverage Ratio

All non-deposit taking systemically important NBFCs with asset size of ₹100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high-quality liquid asset to survive any acute liquidity stress scenario lasting for 30 days. The stock of high-quality liquid asset to be maintained by the NBFCs is required to be a minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement is binding on NBFCs in accordance with the timeline prescribed below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	50%	60%	70%	85%	100%

All non-deposit taking NBFCs with asset size of ₹50 billion and above but less than ₹100 billion are required to also maintain the required level of liquidity coverage ratio in accordance with the timeline given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	30%	50%	60%	85%	100%

### *Asset Classification and Provisioning Norms*

All NBFC-MFIs shall adopt the following norms:

- (i) A “standard asset” means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; and
- (ii) A “non-performing asset” means an asset for which interest or principal payment has remained overdue for a period of 90 days or more

For non-performing assets related to microfinance loans of NBFC MFIs, meeting, provisioning norms are set forth below:

- (i) the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of (a) 1% of the outstanding loan portfolio; or (b) 50% of the aggregate loan instalments overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments overdue for 180 days or more.

- (ii) if the advance covered by credit risk guarantee fund trust for low-income housing guarantee becomes nonperforming, no provision need be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion shall be provided for as per provisioning norms mentioned in the NBFC SBR Master Directions

NBFC-MFIs are also required to comply with other asset classification and provisioning norms applicable to other Applicable NBFCs to the extent such norms are not contradictory to the norms disclosed hereinabove.

#### Standard Asset Provisioning

All Applicable NBFCs are required to make provisions for standard assets at 0.25% of the outstanding, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the Applicable NBFCs.

#### Balance Sheet Disclosures

- (i) Applicable NBFCs are required to separately disclose in their balance sheets the provisions made, as prescribed under the NBFC SBR Master Directions, without netting them from income or against the value of assets.
- (ii) The provisions are to be distinctly indicated under separate heads of account as (a) provisions for bad and doubtful debts; and (b) provisions for depreciation in investments.
- (iii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the Applicable NBFC.
- (iv) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.
- (v) Additionally, Applicable NBFCs are required to disclose: (a) Capital to risk assets ratio; (b) exposure to real estate sector, both direct and indirect; and (c) maturity pattern of assets and liabilities

#### *Ensuring compliance with conditionalities*

All NBFC-MFIs are required to become member of at least one self-regulatory organization ("SRO") which is recognized by the RBI and will also have to comply with the Code of Conduct prescribed by the SRO. The responsibility for compliance to all regulations prescribed for MFIs lies primarily with the NBFC-MFIs themselves. The industry associations/ SROs also play a key role in ensuring compliance with the regulatory framework. In addition, banks lending to NBFC-MFIs also ensure that systems, practices, and lending policies in NBFC-MFIs are aligned to the regulatory framework.

#### *Regulation of excessive interest charged by NBFCs*

- (i) The board of directors of each Applicable NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter
- (ii) The rates of interest and the approach for gradation of risks are also required to be made available on the website of the Applicable NBFCs or published in the relevant newspapers. The information published on the website or otherwise published is required to be updated whenever there is a change in the rates of interest.
- (iii) The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.
- (iv) The average interest paid on borrowings and charged by the NBFC-MFI shall be calculated on average monthly balances of outstanding borrowings and loan portfolio, respectively.
- (v) NBFC-MFIs shall recover only the actual cost of insurance for group, or livestock, life, health for borrower and spouse. Administrative charges, where recovered, shall be as per applicable IRDA guidelines.

Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. The board of directors of Applicable NBFCs are required to layout appropriate internal principles and procedures in determining interest rates and processing and other charges.

### *Accounting Standards*

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by Applicable NBFCs insofar as they are not inconsistent with any of the provisions of the NBFC SBR Master Directions.

### *Fair Practices Code*

All Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the Master Directions. The Master Directions stipulate that such fair practices code should cover, inter alia, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The Master Directions 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

### ***Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, dated March 14, 2022 (the “Microfinance Loans Directions”)***

The RBI issued the Microfinance Loans Directions in order to provide a uniform lending framework for all entities engaged in microfinance lending. The Microfinance Loans Directions come into effect from April 01, 2022, subject to certain exceptions as provided under the Master Directors 2022

The Microfinance Loans Directions are applicable to the following entities:

- (i) All commercial banks (including small finance banks, local area banks, and regional rural banks) excluding payment banks;
- (ii) All primary (urban) co-operative banks /state co-operative banks/district central co-operative banks; and
- (iii) All non-banking financial companies (including microfinance institutions and housing finance companies).

### *Definition of Microfinance Loans*

The directions define microfinance loan as a collateral-free loan given to a household having annual household income up to ₹ 300,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children. Further, all collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual income up to ₹ 300,000, shall be considered as microfinance loans.

### *Assessment of Household income*

As per the Master Directions 2022, each entity shall put in place a board-approved policy for assessment of household income. Further, it prescribes that the self-regulatory organisations (“SROs”) and other associations/ agencies may also develop a common framework based on the indicative methodology and the REs may adopt/ modify this framework suitably as per their requirements with approval of their boards. Each RE shall also mandatorily submit information regarding household income to the Credit Information Companies (CICs).

### *Limit on Loan Repayment Obligations of a Household*

The Directions provide that each entity shall have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income, which shall be subject to a limit of maximum 50 per cent of the monthly household income. With respect to existing loans or which outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income exceed the limit of 50 per cent, shall be allowed to mature. However, in such cases, no new loans shall be provided to these households till the prescribed limit of 50 per cent is complied with.

### *Pricing of Loans*

Each entity regulated under the directions is required to have a board approved policy regarding pricing of microfinance loans which shall, inter alia, cover the following: (i) a well-documented interest rate model/ approach for arriving at the 207 all-inclusive interest rate; (ii) delineation of the components of the interest rate such as cost of funds, risk premium and margin, etc. in terms of the quantum of each component based on objective parameters; (iii) the range of spread of each component for a given category of borrowers; and (iv) a ceiling on the interest rate and all other charges applicable to the microfinance loans. Further, each RE is required to disclose such pricing related information to the prospective borrower in a standardized factsheet in the manner provided under the Master Directions 2022 and the borrower shall not be charged any amount which is not explicitly mentioned in the factsheet.

It is also provided that there shall be no pre-payment penalty on microfinance loans and penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount. Further, any change in interest rate

or any other charge shall be informed to the borrower well in advance and these changes shall be effective only prospectively.

#### *Guidelines on Conduct towards Microfinance Borrowers*

The directions prescribe certain guidelines for the entities which among other things, include, that putting up a fair practices code by the RE, a standard form of loan agreement, issuance of non-credit products with full consent of borrowers, guidelines on training of staff, responsibilities for outsourced activities, guidelines related to recovery of loans and engagement of recovery agents.

#### *Qualifying Asset Criteria*

*Under the Microfinance Loans Directions, the definition of ‘qualifying assets’ of NBFC-MFIs has now been aligned with the definition of ‘microfinance loans’ given above. The minimum requirement of microfinance loans for NBFCMFIs is also revised to 75 per cent of the total assets. Further, the maximum limit on microfinance loans for NBFCs other than the NBFC-MFIs has been revised to 25% of the total assets.*

#### ***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 and residuary non-banking 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; and submission of quarterly audit notes and compliance to the audit committee of the board of directors of the regulated entity.

#### ***Master Direction - Information Technology Framework for the NBFC Sector Directions, dated June 8, 2017 (“IT Framework Directions”)***

The IT Framework Directions have been notified with the view of benchmarking the information technology/information security framework, business continuity planning, disaster recovery management, information technology (“IT”) audit and other processes to best practices for the NBFC sector. Systemically important NBFCs (i.e., NBFCs with an asset size of above ₹5,000 million) are required to comply with the IT Framework Directions by June 30, 2018. The IT Framework Directions require all systemically important NBFCs to undertake IT governance through formation of an IT strategy committee and formulation of a board approved IT policy. They also require systemically important NBFCs to conduct an information system audit at least once in a year.

#### ***Master Direction - Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016 dated September 29, 2016 (“Auditor’s Report Directions”)***

The Auditor’s Report Directions set out disclosures that are to be included in every auditor’s report on the accounts of an NBFC such as: (i) compliance with requirement to obtain certificate of registration from the RBI; (ii) the validity of such NBFC’s certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (iii) compliance with net owned fund requirements as laid down in the Master Directions.

Additionally, every auditor of a non-banking financial company not accepting public deposits is required include a statement in accounts of the NBFC on following matters: (i) whether the board has passed a resolution for non-acceptance of any public deposits; (ii) whether the NBFC has accepted any public deposits during the relevant period/year; (iii) whether the NBFC has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC SBR Master Directions; (iv) in case of NBFC SBR: (a) whether the capital adequacy ratio as disclosed in the return submitted to the RBI by the NBFC, has been correctly arrived at and whether such ratio is in compliance with the minimum Capital to Risk (Weighted) Assets Ratio prescribed by the RBI; (b) whether the NBFC has furnished to the RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period; and (v) whether the non-banking financial company has been correctly classified as NBFC-MFI as defined in the NBFC SBR Master Directions.

***Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017 (“Outsourcing Directions”)***

The Outsourcing Directions specify the activities that cannot be outsourced and provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities.

***The Consolidated FDI Policy Circular of 2020 (No. 5(2)/2020) dated October 15, 2020, as amended (“FDI Circular”) 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 3.8.3.1 of the FDI Circular. Pursuant to the FDI Circular, FDI of up to 100% is permitted under the automatic route in our Company. Foreign investment in securities issued by Indian companies, such as us, is also regulated by the RBI, including through the FEMA.

***RBI Clarifications - Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances dated November 12, 2021 and February 15, 2022***

***Specification of due date/repayment date***

The exact due dates for repayment of loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements.

***Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)***

The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running processes. Similarly, classification of borrower accounts as Special Mention Account (SMA) as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

***NPA classification in case of interest payments***

In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

***RBI Circular – Risk Management System – Appointment of Chief Risk Officer (CRO) for NBFCs dated May 16, 2019***

With the increasing role of NBFCs in direct credit intermediation, the RBI has mandated that NBFCs in categories - Investment 231 and Credit Companies, Infrastructure Finance Companies, Micro Finance Institutions, Factors and Infrastructure Debt Funds with asset size of more than ₹ 50 billion shall appoint a Chief Risk Officer (“CRO”) with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management. Detailed instructions regarding the CRO’s appointment, tenure, independence, and functioning have been specified and are to be strictly followed by such NBFCs, such as, the CRO should possess adequate professional qualifications and experience in risk management, be appointed for a fixed term with board approval, and have direct reporting lines to the MD & CEO/risk management committee of the board. The CRO will be responsible for identifying, measuring, and mitigating risks. All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO’s role in deciding credit proposals shall be limited to being an advisor. In NBFCs that follow committee approach in credit sanction process for high value proposals, if the CRO is one of the decision makers in the credit sanction process, they shall have voting power and all members shall be individually and severally liable for all the aspects, including risk perspective related to the credit proposal.

***Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediaries Rules”)***

The DoIT has IT Intermediaries Rules requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules also make it mandatory for an intermediary to publish its privacy policy, rules, and regulations on its website, and establish a grievance redressal mechanism.

### ***Information Technology (Reasonable Security Practices & Procedure & Sensitive Personal Data or Information) Rules, 2011***

This act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as —electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. The Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act.

### ***The Digital Personal Data Protection Act, 2023 (“DPDP Act”)***

The DPDP Act was notified on August 11, 2023 and replaces the existing data protection provision, as contained in Section 43A of the IT Act. 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 provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach, and (iv) erase personal data 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) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons.

The DPB members will be appointed for two years and will be eligible for reappointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process. National Digital Communications Policy, 2018 With significant capabilities in both telecommunications and software, India, more than most countries, stands poised to benefit from harnessing new digital technologies and platforms to unlock productivity, as well as to reach unserved and underserved markets; thus, catalyzing economic growth and development, generating new-age jobs and livelihoods, and ensuring access to next generation services for its citizens. This policy aims for Universal Coverage rather than revenue maximization. This policy and principles framework will enable creation of a vibrant competitive telecom market to strengthen India’s long-term competitiveness and serve the needs of our aspiring nation. The Policy aims to remove regulatory barriers and reduce the regulatory burden that hampers investments, innovation and consumer interest and identifies steps to strengthen the sector’s institutional mechanism and legislative framework, to ensure that India’s economy and citizens can derive the full potential of its digital communications sector. Data Center Policy, 2020 Indian Data Centre market has seen tremendous growth in the past decade, riding on the explosion of data through smartphones, social networking sites, ecommerce, digital entertainment, digital education, digital payments and many other digital businesses / services. This growth in data is further stimulated by adoption of emerging technologies such as quantum computing, artificial intelligence, internet of things etc. While the Data Centre sector is witnessing growth in the country, there are known impediments to its growth such as lack of infrastructure or Industry status of the Data Centres, complex clearance processes, time consuming approvals, high cost of power, lack of published standards, absence of specialised building norms for building the Data Centres, submarine cable network connectivity limited to few states and high cost of capital and operational expenditure etc. This policy aims to offset these challenges in order to accelerate the current pace of growth and propel India in becoming a global Data Centre hub.

### **Corporate & Commercial Laws**

#### ***The Companies Act, 2013***

The Companies Act primarily regulates the formation, financing, functioning, and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial, and managerial aspects of companies. The provisions of the Act state the eligibility, procedure, and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance, and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### ***Competition Act, 2002***

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to “prohibit anti- competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

### ***Indian Contract Act, 1872***

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. It is the essential Act which is being used for each and every commercial transaction.

### ***Negotiable Instruments Act, 1881***

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid. Section 138 of the Act creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

### ***The Registration Act, 1908 (“Registration Act”)***

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### ***Indian Stamp Act, 1899 (the “Stamp Act”)***

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title, or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### ***The Arbitration and Conciliation Act, 1996***

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration, and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, \conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as foreign award.

### ***Consumer Protection Act, 2019 (“Consumer Protection Act”) and the rules made thereunder***

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia, to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of the consumers against unfair trade practices, which may be practiced by manufacturers, service providers and traders.

The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele- shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by the Consumer Protection Act is the inclusion of the e- commerce industry under the ambit of the Consumer Protection Act, with “e-commerce” defined to refer to the buying and selling of goods or services over digital or electronic network. The Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements,



are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ₹ 1,000,000. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between ₹ 100,000 to ₹ 1,000,000 depending upon the nature of injury to the consumer.

### ***The Insolvency and Bankruptcy Code, 2016 (the “Code”)***

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stakeholders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180 days otherwise it is put on liquidation.

### **Employment Legislations**

#### ***Employees’ Compensation Act, 1923***

The Employee’s Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

#### ***The Employees State Insurance Act, 1948 (“ESI”)***

All the establishments to which the Employees State Insurance Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

#### ***The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) and the schemes formulated there under (“Schemes”)***

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed, and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit- linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the above mentioned schemes.

#### ***The Shops and Establishment Act, 1948***

The Shop and Establishment Act is regulated by the Department of Labor and regulates premises wherein any trade, business or profession is carried out. The act not only regulates the working of commercial establishments but also societies, charitable trusts, printing establishments, educational institutions run for gain and premises in which banking, insurance, stock or share brokerage. This act regulates areas such as working hours, rest interval for employees, opening and closing hours, closed days, national and religious holidays, overtime work, rules for employment of children, annual leave, maternity leave, sickness and casual leave, etc. The Shop and Establishment Act in India is promulgated by the state and may slightly differ from state to state. However, as per the Act, all shops and commercial establishments operating within each state are covered by the respective Shop & Establishments Act. Shops are defined as premises where goods are sold either by retail or wholesale or where services are rendered to customers and includes an office, a store-room, godown, warehouse or workhouse or workplace. Establishments are defined as shop, a commercial establishment, residential hotel, restaurant, eating-house, theatre or other places of public amusement or entertainment. Further, establishments, as defined by the act, may also include such other establishments as defined by the Government by notification in the Official Gazette.

## ***Intellectual Property Rights***

### ***The Trademarks Act, 1999 (“Trademarks Act”)***

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewals.

### ***Copyright Act, 1957 (“Copyright Act”)***

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

### ***Patent Act, 1970 (“Patent Act”)***

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

## **Laws Relating to Taxation**

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra -state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the “Income Tax Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued, or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

## HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND BACKGROUND

Our Company was originally incorporated as a private company in the name and style of “**Sona Finance Private Limited**” under the erstwhile Companies Act, 1956 vide certificate of incorporation dated May 13, 1985 issued by Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to “**Mitrata Inclusive Financial Services Private Limited**” pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary general meeting held on October 23, 2018. The Registrar of Companies, Delhi issued a fresh certificate of incorporation dated December 20, 2018, upon change of the name of the Company. Our Company was then converted from a private limited company to a public limited company, pursuant to a resolution passed in the Extraordinary General Meeting of our members held on February 09, 2024, and consequently, the name of our Company was changed to “**Mitrata Inclusive Financial Services Limited**”, and a fresh certificate of incorporation consequent upon conversion from a private company to the public company dated July 08, 2024, was issued by the Registrar of Companies, Delhi.

### Changes in the Registered Office

Except as disclosed below there have been no change in the Registered office of our Company:

Date of Resolution	From	To	Reason(s)
Not found*	2525-B, Loni Road, Shahdara New Delhi, Delhi India 110032	B-10 West Jyoti Nagar, Shahdara NCT of Delhi -110094	Operational convenience
Not found*	B-10 West Jyoti Nagar, Shahdara NCT of Delhi -110094	2525-B, Loni Road, Shahdara New Delhi, Delhi India 110032	Operational convenience
July 23, 2009	2525-B, Loni Road, Shahdara New Delhi, Delhi India 110032	P-31, 2nd Floor, Ndse- Part-I Delhi India 110003	Operational convenience
January 05, 2011	P-31, 2nd Floor, Ndse- Part-I Delhi India 110003	302, Kirti Deep, Nangal Raya, New Delhi-110046	Operational convenience
August 26, 2017	302, Kirti Deep, Nangal Raya, New Delhi-110046	159, somdutt Chambers-II, Bhikaji cama Place, New Delhi-110066	Operational convenience
March 15, 2019	159, somdutt Chambers-II, Bhikaji cama Place, New Delhi-110066	432, 4th floor, somdutt Chambers-II, Bhikaji cama Place, New Delhi-110066	Operational convenience
July 12, 2022	432, 4th floor, somdutt Chambers-II, Bhikaji cama Place, New Delhi-110066	38-B, 2nd Floor, Yusuf sarai Village, Green Park, New Delhi-110016	Operational convenience
May 31, 2024	38-B, 2nd Floor, Yusuf sarai Village, Green Park, New Delhi-110016	Office No. 223, 2nd Floor, Vardhman Dwarka Dheesh, Plot No 3, Sec-10, Dwarka, New Delhi-110075	Operational convenience

\* Certain form-filings, resolutions and other secretarial documents for certain past allotments of equity shares, increasing in authorized capital made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, or with the Ministry of Corporate Affairs at its website or with the RoC. Accordingly, we have relied on the search report dated August 06, 2024 prepared by SNK & Associates, independent practising company secretary, and certified by their certificates dated August 06, 2024 (“RoC Search Report”). For further details, see “**Risk Factors** – We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation” on page 36 and see “**Material Contracts and Documents for Inspection**” on page 367.

### MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities.

1. To carry on in India or elsewhere the business of General Financiers and to finance, give loans, secured or otherwise, either on Hire-purchase or otherwise on all or the articles such as motor vehicles, boats, mechanicals or otherwise, trucks, cars, two wheeler, three wheeler, tempo, video sets, colour TV's, VCR's motor cycles, cycles, sewing machines, radio sets, gramophones, machinery of every kind and description, goods in trade chattle, raw and produced films either on production or on distribution, cinema halls, theatres, buildings of all kinds.
2. To issue on commission, subscribe for, purchase, take, acquire, and hold, sell, exchange and deal in shares, stocks, bonds, debentures, obligations or securities or other interest of any Company or body corporate.
3. To act as agents of Insurance Companies in all or in any of the branches including life, fire, marine, motor car, accident, public liability, livestock, sickness, fidelity guarantee, workmen's compensation, burglary or any other branches and to insure or reinsure all or any of the risks of the Company and to undertake any authorised risk either direct or by way of reinsurance.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MOA)

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Red Herring Prospectus are as detailed below:

Date of Amendment / Shareholder's Resolution	Nature of Amendment
Not Available*	Clause V of the Memorandum of Association was amended to reflect increase of Authorized share Capital from ₹10,00,000/- consisting of 10,000 equity shares of ₹100 each to ₹50,00,000/- consisting of 50,000 equity shares of ₹10 each.
February 03, 2011*	Clause V of the Memorandum of Association was amended to reflect increase of Authorized share Capital from ₹50,00,000/- consisting of 50,000 equity shares of ₹100 each to ₹1,00,00,000/- consisting of 10,00,000 equity shares of ₹10 each and Sub division of 1,00,000 Equity Shares of face value ₹ 100 each into 10,00,000 Equity Shares of face value ₹ Rs 10 each
September 22, 2014	Clause V of the Memorandum of Association was amended to reflect increase of Authorized share Capital from ₹1,00,00,000/- consisting of 10,00,000 equity shares of ₹10 each to ₹3,00,00,000/- consisting of 30,00,000 equity shares of ₹10 each.
July 07, 2016	Clause V of the Memorandum of Association was amended to reflect increase of Authorized share Capital from ₹3,00,00,000/- consisting of 30,00,000 equity shares of ₹10 each to ₹6,00,00,000/- consisting of 60,00,000 equity shares of ₹10 each.
July 23, 2018	Clause V of the Memorandum of Association was amended to reflect increase of Authorized share Capital from ₹6,00,00,000/- consisting of 60,00,000 equity shares of ₹10 each to ₹18,00,00,000/- consisting of 1,80,00,000 equity shares of ₹10 each.
October 23, 2018	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Sona Finance Private Limited' to 'Mitrata Inclusive Financial Services Private Limited'
September 09, 2019	Clause V of the Memorandum of Association was amended to reflect increase of Authorized share Capital from ₹18,00,00,000/- consisting of 180,00,000 equity shares of ₹10 each to ₹2,00,00,000/- consisting of 20,00,000 equity shares of ₹10 each.
September 29, 2021	<ol style="list-style-type: none"> <li>1) Alteration/Substitution of the existing Memorandum of Association: The words "Companies Act, 1956" wherever appearing in the Memorandum of Association of the Company, is replaced with the words "Companies Act, 2013.</li> <li>2) Clause 3 of the Memorandum of Association was amended by existing "Clause iii(A) - The main Objects to be pursued by the Company on its incorporation are" is substituted by the new sub-heading "Clause III(A) - The Objects to be pursued by the Company on its incorporation are".</li> <li>3) Clause 3 of the Memorandum of Association was amended by existing "Clause iii(B) – Objects incidental or ancillary to the attainment of the main objects" is substituted by the new sub-heading "Clause III(B) – Matters which are necessary for furtherance of the objects specified in clause III(A)".</li> <li>4) Clause 3 of the Memorandum of Association was amended by existing "Clause iii(C) – Other objects" is merged with sub-heading "Clause III(B) – Matters which are necessary for furtherance of the objects specified in clause III(A)".</li> </ol>
February 09, 2024	Clause V of the Memorandum of Association was amended to reflect increase of Authorized share Capital from ₹20,00,00,000/- consisting of 2,00,00,000 equity shares of ₹10 each to ₹4,20,00,000/- consisting of 4,20,00,000 equity shares of ₹10 each.
February 09, 2024	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Mitrata Inclusive Financial Services Private Limited' to 'Mitrata Inclusive Financial Services Limited' pursuant to the conversion of our Company from a private limited company to a public limited company.

\* Certain form-filings, resolutions and other secretarial documents for certain past allotments of equity shares, increasing in authorized capital made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, or with the Ministry of Corporate Affairs at its website or with the RoC. Accordingly, we have relied on the search report dated August 06, 2024 prepared by SNK & Associates, independent practising company secretary, and certified by their certificates dated August 06, 2024 ("RoC Search Report"). For further details, see **"Risk Factors – We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation"** on page 36 and see **"Material Contracts and Documents for Inspection"** on page 367.

## **MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY**

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

<b>Year</b>	<b>Particulars</b>
1985	Incorporation of the Company in the name and style of “Sona Finance Private Limited”
2001	Received certificate of registration to commence business of non-banking financial institution without accepting public deposits
2019	Received certificate of registration to carry on business of non-banking financial institution without accepting public deposits pursuant to name change
2023	Converted into Public Limited Company vide fresh certificate of incorporation dated July 08, 2024.

### **STRATEGIC PARTNERS**

Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

### **FINANCIAL PARTNERS**

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Red Herring Prospectus, our Company does not have any financial partner.

### **TIME AND COST OVERRUN IN SETTING UP OF PROJECTS**

There have been no instances of time and cost overruns in setting up of our projects in the past.

### **CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS**

Capacity and capacity utilization is not applicable to our Company since our business is not in the nature of a manufacturing concern with specified installed capacity.

### **DETAILS OF LAUNCH OF KEY PRODUCTS, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” on page 140 of this Draft Red Herring Prospectus.

### **DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS**

As on the date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/ banks or conversion of loans into equity in relation to our Company.

### **ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS**

As on the date of this Draft Red Herring Prospectus, there have been no acquisition or divestments of business / undertakings, mergers and amalgamations.

### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

### **HOLDING COMPANY**

Our Company does not have a holding company as on the date of this Draft Red Herring Prospectus.

### **SUBSIDIARIES**

Our Company does not have any subsidiary company as on the date of this Draft Red Herring Prospectus.

### **JOINT VENTURES**

Our Company has no joint-ventures as on the date of this Draft Red Herring Prospectus.

### **SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS**

Except the Shareholder agreements and share subscription agreement as detailed below, there are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

## OTHER MATERIAL AGREEMENTS

Shareholders' Agreement dated September 21, 2019 ("Shareholders' Agreement" or "SHA"), entered into between our (i) Company; (ii) our Promoters namely, Dr. Aqueel Ahmed Kham, Prabhakar Rawat ; and (iii) the Investors, namely Farah Siddiqui (herein referred individually as "**Party**" and collectively as "**Parties**") setting out their respective inter se rights and obligations vis-à-vis our Company in connection with the purchase of shares of the Company under the Share Subscription Agreement dated (i) September 21, 2019 r/w SSA dated December 12, 2019 , (ii) December 18, 2021 and (iii) January 25, 2023 ("**SSA**") (SHA and SSA hereinafter collectively referred to as "**Transaction Document**"). The Transaction Document was executed among the Company, Investors and certain other investors ("**New Investors**") as set out in the Transaction Document pursuant to which Investors and New Investors purchased/ subscribed certain number of equity shares of our Company and the terms and conditions for purchase/ subscription were recorded under which certain rights were granted including right to nominate directors on the Board, rights to appoint observers, certain tag-along rights and pre-emptive rights. The Transaction Document also set out obligation of the Company, our Promoters and shareholders with respect to reserved matter and investors consent over such reserved matter.

In view of the proposed initial public offer of the Equity Shares of our Company, the Parties to the TD, existing as on date, have entered into the Addendum to SHA dated August 06, 2024 (**Addendum**) pursuant to which the Parties, to the extent applicable, have waived and/or suspended their respective rights, obligations and restrictions that may be triggered under the TD as a result of our Company undertaking the initial public offer. Addendum provides that SHA shall automatically stand terminated upon the date on which listing and trading of Equity Shares of our Company commences on the Stock Exchange. Further, in case listing is not completed by the date contemplated in the Addendum, the provisions of the Shareholders' Amendment Agreement shall automatically stand terminated without any further act or deed required on the part of any Party.

## AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT PERSONNEL OR A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into by key managerial personnel or senior management or Directors or Promoters or any other employee, 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 the Company.

## DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY OUR PROMOTERS:

Except as disclosed in this Draft Red Herring Prospectus under chapter titled "**Financial Indebtedness**" on page 257, no guarantees have been issued by the Promoter to any third party, as on the date of this Draft Red Herring Prospectus.

## OTHER CONFIRMATIONS

There is no material clause of Article of Association which have been left out from disclosure having bearing on the IPO.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the Company) and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

There is no conflict of interest between the lessor of immovable properties and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

## OUR MANAGEMENT

### BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

As on the date of this Draft Red Herring Prospectus, our Board comprises of 6 Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act. The following table sets forth details regarding the Board as on the date of this Draft Red Herring Prospectus:

### BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS -

Name, DIN, Date of Birth, Age, Occupation, Address, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Red Herring Prospectus
<b>DR. AQUEEL AHMED KHAN</b> <b>Designation:</b> Chairman and Managing Director <b>DIN:</b> 01069477 <b>Date of Birth:</b> September 05, 1967 <b>Age:</b> 56 years <b>Occupation:</b> Business <b>Address:</b> V- 12/3, DLF Phase III, Near DLF Police Station, Nathupur (67), Gurgaon, Haryana - 122002. <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> August 16, 2017 <b>Change in Designation:</b> June 10, 2024 <b>Period of Directorship:</b> 5 consecutive years with effect from June 10, 2024 and liable to retire by rotation.	<b>Private Limited Company</b> Nil <b>Public Limited Company</b> Nil <b>Foreign Company</b> Nil
<b>PRABHAKAR RAWAT</b> <b>Designation:</b> Whole-Time Director <b>DIN:</b> 08058695 <b>Date of Birth:</b> June 30, 1979 <b>Age:</b> 44 years <b>Occupation:</b> Business <b>Address:</b> V- 12/3, 1 <sup>st</sup> Floor, DLF Phase III, Near DLF Police Station, Nathupur (67), Gurgaon, Haryana – 122002. <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> September 30, 2018 <b>Change in Designation:</b> June 10, 2024 <b>Period of Directorship:</b> 5 consecutive years with effect from June 10, 2024 and liable to retire by rotation.	<b>Private Limited Company</b> Nil <b>Public Limited Company</b> Nil <b>Foreign Company</b> Nil
<b>MOHANDAS DASARI</b> <b>Designation:</b> Non-Executive Independent Director <b>DIN:</b> 05105936 <b>Date of Birth:</b> May 01, 1950 <b>Age:</b> 74 years <b>Occupation:</b> Business	<b>Private Limited Company</b> <ul style="list-style-type: none"> <li>• Riemann Consulting Private Limited</li> <li>• Tejomaya Exports LLP</li> </ul> <b>Public Limited Company</b> Nil <b>Foreign Company</b>



Name, DIN, Date of Birth, Age, Occupation, Address, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Red Herring Prospectus
<p><b>Address:</b> Flat 1102, C wing Atelier Building, Rustomjee Urbania, Near Saket Complex, Majiwada, Thane Kasarvadavali, Maharashtra, 400601</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> November 01, 2018</p> <p><b>Change in Designation:</b> November 01, 2023</p> <p><b>Period of Directorship:</b> 5 consecutive years with effect from November 01, 2023</p>	<p>Nil</p>
<p><b>MATHEW TITUS</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DIN:</b> 00159636</p> <p><b>Date of Birth:</b> July 04, 1960</p> <p><b>Age:</b> 64 years</p> <p><b>Occupation:</b> Service</p> <p><b>Address:</b> 2163, D-2, Vasant Kunj S.O, South West Delhi, Delhi - 110070</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> April 05, 2022</p> <p><b>Change in Designation:</b> July 05, 2022</p> <p><b>Period of Directorship:</b> 5 consecutive years with effect from April 05, 2022</p>	<p><b>Private Limited Company</b></p> <p>Nil</p> <p><b>Public Limited Company</b></p> <p>Nil</p> <p><b>Foreign Company</b></p> <p>Nil</p>
<p><b>EVERARDUS MAURITIUS TRUDO LUDDING</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DIN:</b> 10049475</p> <p><b>Date of Birth:</b> January 25, 1966</p> <p><b>Age:</b> 58 years</p> <p><b>Occupation:</b> Self employed</p> <p><b>Address:</b> Rozengaarderweg 12</p> <p><b>Nationality:</b> Netherlands</p> <p><b>Original Date of Appointment:</b> February 01, 2023</p> <p><b>Change in Designation:</b> September 23, 2023</p> <p><b>Period of Directorship:</b> 5 consecutive years with effect from January 11, 2023</p>	<p><b>Private Limited Company</b></p> <p>Nil</p> <p><b>Public Limited Company</b></p> <p>Nil</p> <p><b>Foreign Company</b></p> <p>Nil</p>
<p><b>ACHLA SAVYASACHI</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DIN:</b> 10671226</p> <p><b>Date of Birth:</b> January 25, 1966</p> <p><b>Age:</b> 58 years</p> <p><b>Occupation:</b> Professional</p>	<p><b>Private Limited Company</b></p> <p>Nil</p> <p><b>Public Limited Company</b></p> <p>Nil</p> <p><b>Foreign Company</b></p> <p>Nil</p>

Name, DIN, Date of Birth, Age, Occupation, Address, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Red Herring Prospectus
<p><b>Address:</b> B/802, Amrapali Sapphire, Sector 45, Mahamya Kanya, Mahavidyalaya, Gautam Buddha Nagar, Uttar Pradesh - 201301</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> August 05, 2024</p> <p><b>Change in Designation:</b> August 06, 2024</p> <p><b>Period of Directorship:</b> 5 consecutive years with effect from August 05, 2024</p>	

### Brief Biographies of our Directors

**Dr. Aqueel Ahmed Khan**, is the Chairman and Managing Director of our Company. He holds a bachelor of science (honours) degree from Aligarh Muslim University in 1986, masters of arts in social work from Jamia Millia Islamia in 1989 and degree of doctor of Philosophy in social work from Jamia Millia Islamia in 2000. He has been associated with our Company since 2017 and currently is responsible for handling the overall management of the Company. He is having an experience of over 20 years in the financial sector. He is also one of the co-founders of Association for Stimulating Know-how (ASK), a not-for-profit organisation.

**Prabhakar Rawat** is the Whole-Time Director of our Company. He holds a bachelor's Degree in Commerce and a diploma degree from Institute of Hotel Management, Catering Technology & Applied Nutrition. He has been associated with our Company since 2018 and currently is responsible for handling business operations. He is having an experience of over 12 years in the financial sector. He has previously associated with AT-Grassroots.

**Mohandas Dasari**, is the Non-Executive Independent Director of our Company. He holds a master of arts (economics) degree from Sri Venkateswara University in 1973. He has been associated with our Company since 2018. He is a retired chief general manager from RBI in 2010, having an experience of around 25+ years in NBFC compliances.

**Mathew Titus**, is the Non-Executive Independent Director of our Company. He holds a master of arts degree from Jawaharlal Nehru University in 1983. He has been associated with our Company since 2022, having an overall experience of around 10 years in finance sector. He was previously associated with Caspian Impact Investments Private Limited and Ajivika Finance Limited as a director.

**Everardus Mauritius Trudo Ludding**, is the Non-Executive Independent Director of our Company. He holds a masters in Law from University of Utrecht\*. He has been associated with our Company since 2023, having an overall experience of 20+ years in finance sector. He was previously associated with Oiko International\*.

*\*We have relied on the translated copies of the qualification certificates and experience letters. For further details, please refer "Risk factors - 28. Relevant copies of one of the qualification certificates of Senior Managerial Personnel is not traceable. Further, reliance has been placed on translated copies of certificates in case of foreign director." on page 44 of this Draft Red Herring Prospectus.*

**Achla Savyasaachi**, is the Non-Executive Independent Director of our Company. She holds a bachelor's of commerce degree from University of Delhi in 1983, post graduate diploma in human rights from Indian Institute of human rights in 2012 and bachelor of laws degree from Chaudhary Charan Singh University in 2012. She is also an Associate member of the Institute of Company Secretaries of India. She has been associated with our Company since 2024. She has previously worked with Twenty First Century Medical Leasing Limited, The Triveni Engineering Works Ltd., Trans Asia Packaging Limited and Micro Finance Industry Network, having an experience of around 30+ years in secretarial and legal compliances.

### Relationship between our Directors

Except as mentioned below, as on the date of this Draft Red Herring Prospectus, none of our directors are related to each other as per section 2(77) of the Companies Act, 2013.

### Relationship between our Directors and KMPs

As on the date of this Draft Red Herring Prospectus, none of our directors and KMPs are related to each other.

### Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Except as disclosed in the Draft Red Herring Prospectus, we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### Service contracts with Directors

No officer of our Company, including our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the at the Extra-Ordinary General Meeting of the Company held on August 06, 2024, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made thereunder, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 195 Crores.

### Terms of Appointment & Remuneration to Executive Directors

#### A. Dr. Aqueel Ahmed Khan

He was re-appointed as Chairman and Managing Director in the Extra-Ordinary General Meeting held June 28, 2024 for the period of 5 (five) consecutive years with effect from June 10, 2024. His terms and conditions as approved by the Shareholders are laid down as under

Remuneration	Details
Salary	₹ 81.00 Lakhs p.a. for the FY 2024-25
Perquisites	N.A.
Remuneration paid in FY 2023-2024	₹ 75.00 Lakhs

#### B. Prabhakar Rawat

He was appointed as a Whole-Time Director of our Company in the Extra-Ordinary General Meeting held June 28, 2024 for the period of Five (5) consecutive years with effect from June 10, 2024. His terms and conditions as approved by the Shareholders are laid down as under:

Remuneration	Details
Salary	₹ 66.36 Lakhs p.a. for the FY 2024-25
Perquisites	N.A.
Remuneration paid in FY 2023-2024	₹ 61.48 Lakhs

### Payment or benefit to Non -Executive Independent Directors of our Company

Pursuant to Board resolution dated August 05, 2024, it is hereby accorded for payment of sitting fees in the following manner, to the Non-Executive Independent Directors of the Company for attending the meetings or committee thereof attended by them until further change of consensus in this regard.

Sr. No.	Name Of Meetings	Sitting Fees Per Meeting
1.	Board Meeting	₹ 40,000/-
2.	Audit Committee	₹ 20,000/-
3.	Nomination and Remuneration Committee	₹ 20,000/-
4.	Stakeholder's Relationship Committee	₹ 20,000/-
5.	Corporate Social Responsibility Committee	₹ 20,000/-
6.	Risk Management Committee	₹ 20,000/-

Further, our Independent Directors may be paid reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

### Bonus or profit-sharing plan of our Directors

As on the date of this Draft Red Herring Prospectus, our Company does not have a bonus or profit-sharing plan for our Directors.

### Shareholding of our Directors in our Company

The shareholding of our Directors in our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

Sr. No.	Name of Directors	Number of Equity Shares held <sup>#</sup>
1	Dr. Aqueel Ahmed Khan	1,02,49,200
2	Prabhakar Rawat	23,96,600
	<b>Total</b>	<b>1,26,45,800</b>

<sup>#</sup> The above workings are assuming conversion of all outstanding CCPS. For details of the CCPS, see "Capital Structure" on page 79.

### Confirmations

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Red Herring Prospectus, during their term of directorship in such company.

None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such company.

None of our Directors have been or was identified as a wilful defaulter or a fraudulent borrower as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

### Interest of directors

All our Non-Executive Directors including Non-Executive Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled "**Our Management - Shareholding of Directors in our Company**" beginning on page 182 of this Draft Red Herring Prospectus.

Except for Dr. Aqueel Ahmed Khan and Prabhakar Rawat, Promoters of our Company, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as stated in the chapter "**Business Overview**" beginning on page 140 of this Draft Red Herring Prospectus and in the chapter "**Restated Financial Statement**" beginning on page 203, none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in "**Restated Financial Statement**" beginning on page 203 and as disclosed in this chapter, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Other than the interest of our Director, Dr. Aqueel Ahmed Khan, on behalf of Association for Stimulating Know How, with respect to the lease of our corporate office of our Company, our Directors do not have any interest in any property acquired by our Company including in the preceding three years from the date of this Draft Red Herring Prospectus.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

Except mentioned below, none of our directors have not been associated with any company that has been struck-off by the registrar of companies or the Ministry of Corporate Affairs -

Name of the Director	Name of companies	Reason
Dr. Aqueel Ahmed Khan*	Unnati Exports Private Limited	Strike off
Prabhakar Rawat	Unnati Exports Private Limited	Strike off
Mathew Titus	Sa-Dhan Indexing and Consulting Private Limited	Strike off

\* Cessation of directorship w.e.f. January 22, 2018.

### Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

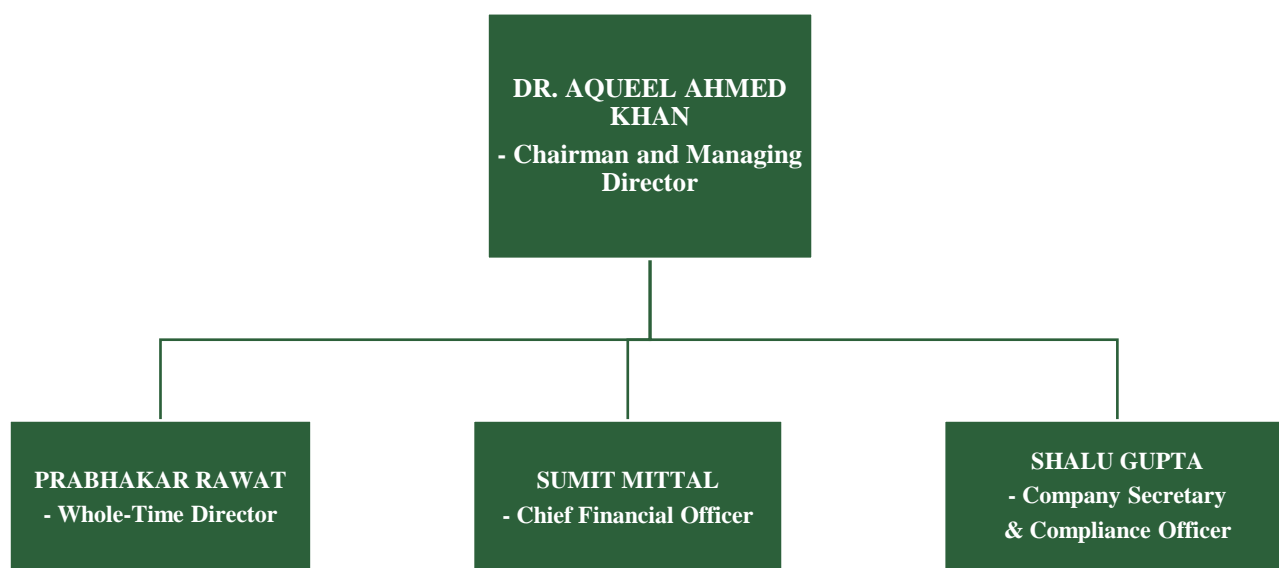
### Changes in the Board of Directors in the last three years preceding the date of this Draft Red Herring Prospectus

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of this Draft Red Herring Prospectus.:

Name of the Director	Effective Date of Appointment/Change in designation/Cessation/Regularization	Reasons for Change
Achla Savyasaachi	August 06, 2024	Regularization as a Non-Executive Independent Director
Achla Savyasaachi	August 05, 2024	Appointment as an Additional Non-Executive Independent Director
Dr. Aqueel Ahmed Khan	June 10, 2024	Re-appointment as the Chairman and Managing Director
Prabhakar Rawat	June 10, 2024	Regularization as the Whole-Time Director
Mohandas Dasari	November 01, 2023	Re-appointment as a Non-Executive Independent Director
Everardus Ludding	September 23, 2023	Regularization as a Non-Executive Independent Director
Everardus Ludding	January 11, 2023	Appointment as an Additional Non-Executive Independent Director
Mathew Titus	April 05, 2022	Regularization as a Non-Executive Independent Director
Mathew Titus	April 05, 2022	Appointment as an Additional Non-Executive Independent Director

### Management Organization Structure

The following chart depicts our Management Organization Structure



### Corporate Governance

As on the date of this Draft Red Herring Prospectus, we have 6 directors on our Board, comprising of 2 executive directors, 4 Non-Executive Independent directors and Directors of which 1 being Women Director. The present composition of our Board of Directors and its committees are in accordance with the SEBI Listing Regulations and the Companies Act, 2013.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations in relation to the composition of our Board and constitution of committees thereof. Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act.

## Committees of the Board of directors

Our Board of Directors presently has six (6) committees which have been constituted in accordance with the relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee, (iii) Stakeholders Relationship Committee (iv) CSR Committee, (v) Risk Management Committee and (vi) IPO Committee.

### (i) Audit Committee

The Audit Committee was constituted by a resolution of our Board dated June 27, 2022

The terms of reference of the Audit Committee are in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

The members of the Audit Committee are:

Sr. No.	Name of the Directors	Designation	Position in the Committee
1.	Mathew Titus	Non-Executive Independent Director	Chairperson
2.	Mohandas Dasari	Non-Executive Independent Director	Member
3.	Prabhakar Rawat	Whole-Time Director	Member

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act, 2013. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

### Meetings of the Committee:

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

### Role and Powers

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

### Roles and Powers of Audit Committee

1. Audit Committee will review the critical accounting policies and practices, and any changes in them;
2. Audit Committee will review to the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
3. Audit Committee can ask for the clarity of disclosures of financial information to ensure that the financial statements are correct, sufficient and credible;
4. Audit Committee can ask for clarification on significant adjustments made in the financial statements arising out of audit findings;
5. Audit Committee will review the going concern assumption;
6. Audit Committee will review compliance with accounting standards; compliance with stock exchange and other legal requirements if any;
7. Audit Committee will review the risk management framework of the Company;
8. Audit Committee will review the Matters required to be included in the director's responsibility statement and to be included in the board's report in terms of section 134 of the Companies Act, 2013;



9. Audit Committee will review major accounting entries involving estimates based on the exercise of judgment by management;
10. The Audit Committee will review and take note of the Internal Audit Report;
11. The Audit Committee will review and take note of the Whistle Blower Mechanism and Vigil Mechanism or its Directors and Employees;
12. The Audit Committee will review and take note of the fraud cases;
13. The Audit Committee will review and take note on compliance specified by RBI on Know your Customer;
14. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
15. Review and monitor the auditor's independence and performance and effectiveness of audit process;
16. Audit committee will review the qualifications, if any, in the draft audit report;
17. Approval or any subsequent modification of transactions of the company with related parties;
18. Evaluation of internal financial controls and risk management systems;
19. Quarterly financial presentation to the committee;
20. Monitoring the end use of funds raised through public offers and related matters;
21. Submission of Investors Due-diligence list;
22. Any such other role/functions as may be specifically referred to the Committee by the Board of Directors.

**(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was reconstituted by a resolution of our Board dated March 28, 2024. The scope and functions of the Nomination and Remuneration Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI LODR Regulations.

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Mathew Titus	Non-Executive Independent Director	Chairperson
2.	Everardus Mauritius Trudo Ludding	Non-Executive Independent Director	Member
3.	Mohandas Dasari	Non-Executive Independent Director	Member

**Tenure:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**Meetings of the Committee:**

The committee shall meet at least once in a year and the quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater.

**Terms of reference**

The Nomination and Remuneration Committee be and here by entrusted with the following powers:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director
- ii. Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- iii. Recommend to the board, the appointment and removal of Directors, Key managerial and senior Management Personnel.
- iv. Formulation of criteria for performance evaluation of board, its committees and individual directors.

**(iii) Stakeholders Relationship Committee**

The Stakeholders' Relationship Committee was constituted by way of a Board resolution dated June 10, 2024. The scope and functions of the Stakeholders' Relationship Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI LODR Regulations.



The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Mathew Titus	Non-Executive Independent Director	Chairperson
2.	Dr. Aqueel Ahmed Khan	Chairman and Managing Director	Member
3.	Prabhakar Rawat	Whole-Time Director	Member

**Tenure:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**Meetings:**

The Stakeholders Relationship Committee shall meet at least once in a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company.

**Terms of Reference:**

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchange from time to time, the following:

- 1) Redressal of shareholders' and investors' complaints, including and in respect of:
  - a) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or when the space at back for recording transfers have been fully utilized.
  - b) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
  - c) Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- 2) Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measure of improving the system of redressal of Shareholders' /Investors' grievances.
- 3) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- 4) Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- 5) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- 6) Allotment and listing of shares;
- 7) Review of measures taken for effective exercise of voting rights by shareholders.
- 8) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 9) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholder of the company.
- 10) Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- 11) Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- 12) Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**(iv) Corporate Social Responsibility Committee (CSR)**

The Corporate Social Responsibility Committee was constituted by way of a Board resolution dated September 15, 2023. The scope and functions of the CSR Committee are in accordance with section 135 of the Companies Act, 2013.

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Dr. Aqueel Ahmed Khan	Chairman and Managing Director	Chairperson
2.	Prabhakar Rawat	Whole-Time Director	Member
3.	Mathew Titus	Non-Executive Independent Director	Member

#### Terms of Reference:

The CSR Committee shall be responsible for, among other things, as may be required by the stock exchange from time to time, the following:

- 1) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- 2) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- 3) To monitor the CSR policy of the Company from time to time;
- 4) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### (v) Risk Management Committee

The Risk Management Committee was re-constituted by way of a Board resolution dated May 23, 2024. The scope and functions of the Stakeholders' Relationship Committee are in accordance with SEBI LODR Regulations.

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Everardus Mauritius Trudo Ludding	Non-Executive Independent Director	Chairperson
2.	Dr. Aqueel Ahmed Khan	Chairman and Managing Director	Member
3.	Prabhakar Rawat	Whole-Time Director	Member
4.	Sumit Mittal	CFO	Member

#### Terms of Reference:

The terms of reference of the Risk Management Committee include the following:

- periodic review of management's RM reports
- setting of policies on risk profile and limits
- development and periodic evaluation of Mitrata's policies and procedures related to risk management matters to accommodate changes in the internal or external environment
- evaluation of the adequacy and effectiveness of the Mitrata's risk detection and measurement systems and controls
- ensuring that Mitrata maintains the various risk exposures at prudent levels
- ensuring that the Mitrata has implemented sound fundamental principles and mechanisms to facilitate the identification, measurement, monitoring and control of risks
- ensure that appropriate plans and procedures for managing individual risk elements are in place
- advice on any matters of significance, for instance relating to lending policy or direction of lending;
- review existing credit policies and procedures in line with government policies and regulatory framework.

#### (vi) IPO Committee

The IPO Committee was constituted by way of a Board resolution dated August 05, 2024.

The members of the IPO Committee are:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Mohandas Dasari	Non-Executive Independent Director	Chairperson
2.	Dr. Aqueel Ahmed Khan	Chairman and Managing Director	Member
3.	Prabhakar Rawat	Whole-Time Director	Member
4.	Sumit Mittal	CFO	Member

The scope and functions of the IPO Committee and its terms of reference as stipulated pursuant to a resolution dated August 05, 2024 passed by our Board are set forth below:

- (1) to decide in consultation with the Lead Manager the actual size of the Issue, and taking on record the number of equity shares, having face value of ₹10 per equity share (the “Equity Shares”), proposed to be offered and/or reservation on a competitive basis, and/or green shoe option and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Issue and all the terms and conditions of the Issue, including without limitation timing, opening and closing dates of the Issue, price band, allocation/ allotment to eligible persons pursuant to the Issue, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
- (2) to appoint, instruct and enter into agreements with the Lead Manager, and in consultation with Lead Manager appoint and enter into agreements with intermediaries, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, monitoring agency, industry expert, legal counsel, depositories, custodians, credit rating agencies, printers, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the engagement letters and Issue agreement with the Lead Manager, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;
- (3) to finalise, settle, approve, adopt and arrange for submission of the Draft Red Herring Prospectus (“DRHP”), the Red Herring Prospectus (“RHP”), the Prospectus, the preliminary and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed (“Stock Exchanges”), the Registrar of Companies, Delhi & Haryana, institutions or bodies;
- (4) to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Issue in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), Companies Act, 2013, as amended and other applicable laws;
- (5) to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any;
- (6) to open separate share escrow account to receive application monies from anchor investors/ underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Issue and in respect of which a refund, if any will be made;
- (7) to open account with the bankers to the Issue to receive application monies in relation to the Issue in terms of Section 40(3) of the Companies Act, 2013, as amended;
- (8) to negotiate, finalise, sign, execute and deliver or arrange the delivery of the Issue agreement, syndicate agreement, share escrow, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Issue, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, monitoring agency, legal advisors, auditors, Stock Exchanges, Lead Manager and other agencies/ intermediaries in connection with Issue with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
- (9) to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), Registrar of Companies and such other statutory and governmental authorities in connection with the Issue, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
- (10) to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (11) to determine and finalize, in consultation with the Lead Manager, the price band for the Issue and minimum bid lot for the purpose of bidding, any revision to the price band and the final Issue price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees (including anchor investors) and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and

undertake other matters in connection with or incidental to the Issue, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;

- (12) to issue receipts/ allotment advice/ 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 one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
- (13) 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 officials of the Company to execute all or any of the aforesaid documents;
- (14) to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
- (15) to seek, if required, the consent and waivers of the parties with whom the Company and/or its subsidiaries have entered into various commercial and other agreements, including but not limited to lenders, lessors, customers, suppliers, strategic/ joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue in accordance with the applicable laws;
- (16) to determine the price at which the Equity Shares are offered, issued, allocated, transferred and/or allotted to investors in the Issue in accordance with applicable regulations in consultation with the Lead Manager and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
- (17) to settle all questions, difficulties or doubts that may arise in relation to the Issue, as it may in its absolute discretion deem fit;
- (18) to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;
- (19) to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Offer;
- (20) to withdraw the DRHP or RHP or to decide not to proceed with the Issue at any stage, in consultation with the Lead Manager and in accordance with the SEBI ICDR Regulations and applicable laws;
- (21) to submit undertaking/certificates or provide clarifications to the Stock Exchange, Registrar of Companies s) where the Equity Shares are to be listed; and
- (22) to authorize and empower officers of the Company (each, an “Authorized Officer(s)”), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange(s), the registrar’s agreement and memorandum of understanding, the depositories’ agreements, the Issue agreement with the Lead Manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the Lead Manager and syndicate members, the stabilization agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Issue, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Issue, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the Lead Manager and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of the Sub-Regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, as amended, will be applicable to our Company immediately upon the listing of Equity Shares. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. Further,

Board of Directors at their meeting held on June 10, 2024, has approved and adopted the policy on insider trading in view of the proposed public issue.

The Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

## **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (LODR) Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. The Board of Directors at their meeting held on June 10, 2024 has approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **Our Key Managerial Personnel and Senior Managerial Personnel**

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel and Senior Managerial Personnel of our Company:

#### **Brief Profile of Key Managerial Personnel:**

The details of the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set out below -

#### **Dr. Aqueel Ahmed Khan, Chairman and Managing Director**

For the complete profile of Dr. Aqueel Ahmed Khan, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter titled “*Our Management - Brief Biographies of our Directors*” on page 182 of this Draft Red Herring Prospectus.

#### **Prabhakar Rawat, Whole-Time Director**

For the complete profile of Prabhakar Rawat, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter titled “*Our Management - Brief Biographies of our Directors*” on page 182 of this Draft Red Herring Prospectus

**Sumit Mittal**, aged 37 years, is the Chief Financial Officer of our Company. He is a qualified Chartered Accountant and an Associate member of the Institute Chartered Accountants of India. He holds an experience of around 10+ years in the finance sector. He has been associated with our Company as the VP – Accounts & Finance since 2018 and he is responsible for handling the accounting procedures and financial controls of our Company. Further, he was previously associated with Indian School Finance Company Pvt Limited and Home Credit India Private Finance Limited. In Fiscal 2024, he was paid a remuneration of ₹ 59.96 Lakhs p.a.

**Shalu Gupta**, aged 29 years, is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary and is an Associate member of the Institute of Company Secretaries of India. She holds an overall experience of 4 years in the field of secretarial compliances. She was appointed by our Board of Directors with effect from January 03, 2024 and was paid a remuneration of ₹ 1.59 Lakhs p.a. in Fiscal 2024. Subsequently, she has also been appointed as the Compliance Officer with effect from June 10, 2024. She has been associated with our Company as Manager - Compliance since 2023 and she is responsible for handling the secretarial and compliance functions of the Company. Further, she was previously associated with Fiberhome India Private Limited.

#### **Brief Profile of Senior Managerial Personnel:**

**Mamta Saini**, aged 34 years, is the Senior Manager - Audit of our Company. She holds a bachelor’s Degree in business administration from Omega Institute of Management & Technology, Delhi. She is associated with the Company as an Assistant Audit Manager since January 14, 2021. She was previously associated with Sub-K IMPACT Solutions Limited. In Fiscal 2024, she was paid a remuneration of ₹ 5.58 Lakhs p.a.

**Narayan Datta Dwivedi**, aged 41 years, is the Vice President - Operations of our Company since April 01, 2024. He holds a bachelor’s degree in law\* from Mahatma Gandhi Kashi Vidyapith, Varanasi. Further, he was also previously associated with Inditrade Microfinance Limited. He was not paid remuneration in Fiscal 2024 as he was appointed in the current Fiscal Year.

\* We have relied on the marksheet provided by the Company. For further details, please refer “Risk factors - 28. Relevant copies of one of the

qualification certificates of Senior Managerial Personnel is not traceable. Further, reliance has been placed on translated copies of certificates in case of foreign director.” on page 44 of this Draft Red Herring Prospectus.

All our Key Managerial Personnel and Senior Managerial Personnel are permanent employees of our Company.

#### **Shareholding of Key Managerial Personnel and Senior Managerial Personnel in our Company**

Except as disclosed in *“Shareholding of Directors in our Company”* under chapter titled *“Capital Structure”* beginning on page 84 of this Draft Red Herring Prospectus, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

#### **Nature of any family relation between any of the Key managerial personnel and Senior Management Personnel**

None of the Key Managerial Personnel or Senior Management Personnel are related to each other or to any of our Directors.

#### **Interests of Key Managerial Personnel and Senior Management Personnel**

Except as mentioned in this Draft Red Herring Prospectus, the Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Managerial Personnel and Senior Managerial Personnel may be deemed interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such Key Managerial Personnel or Senior Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Key Managerial Personnel and Senior Managerial Personnel may be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

#### **Payment of Benefits to Officers of Our Company (non-salary related)**

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia rewards. Except for the statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under chapter titled *‘Financial Statements’* beginning on page 203 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

#### **Relationship among Key Managerial Personnel and among Key Management Personnel or Directors or Senior Management Personnel**

None of our Key Managerial Personnel or Senior Managerial Personnel are related to each other or to the Directors of our Company, except as disclosed in *“Our Management - Relationships between our Directors and Key Managerial Personnel”* on page 182.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel or Senior Management Personnel was selected**

As on the date of this Draft Red Herring Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel or Senior Managerial Personnel were selected as a Key Managerial Personnel or Senior Managerial Personnel.

#### **Compensation paid to Key Managerial Personnel and Senior Managerial Personnel during last financial year i.e., 2023-2024**

For details with respect to the compensation paid to our Key Managerial Personnel and Senior Managerial Personnel during preceding Financial Year 2023-2024 refer *“Terms and conditions of employment of our Executive Directors”* of our Company on page 182 and *“Restated Financial Statements”* on page 203 of this Draft Red Herring Prospectus.

#### **Service Contracts with KMPs and Senior Management**

Our Company does not have any service contract with the KMPs and Senior Managerial Personnel pursuant to which they are entitled to any benefits upon termination of employment.

**Bonus and/ or Profit-Sharing Plan for the Key Managerial Personnel and Senior Management Personnel**

None of the Key Management Personnel and Senior Managerial Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel and Senior Management Personnel.

**Employee Stock Option or Employee Stock Purchase**

As on date of this Draft Red Herring Prospectus, our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme.

**Status of Permanent Employment of KMPs and SMPs**

All the Key Management Personnel and Senior Managerial Personnel, as mentioned above are permanent employees of our Company.

**Attrition**

None of our Key Management Personnel and Senior Management Personnel attrition rate is high as compared to the industry.

**Changes in Our Company's Key Managerial Personnel and Senior Managerial Personnel during the last three (3) years**

Except as mentioned below, there has been no change in Key Managerial Personnel and Senior Managerial Personnel during the last three (3) years preceding the date of this Draft Red Herring Prospectus:

Name of KMP or Senior Management Personnel	Appointment/ Change in Designation/ Cessation	Date of Change
Shalu Gupta	Appointment as Compliance Officer	June 10, 2024
Narayan Datta Dwivedi	Appointment as Vice President - Operations	April 01, 2024
Shalu Gupta	Appointment as Company Secretary	January 03, 2024
Ritika Agarwal	Cessation as Company Secretary	July 03, 2023
Sumit Mittal	Appointment as Chief Financial Officer	April 01, 2021



## OUR PROMOTERS AND PROMOTER GROUP

Dr. Aqueel Ahmed Khan, Prabhakar Rawat and ASK Training and Learning Pvt Ltd are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,35,31,050\* Equity Shares, representing 73.38% of the pre-issued and paid-up Equity Share capital of our Company.

*\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.*

For details of the shareholding of our Promoters in our Company, as on the date of this Draft Red Herring Prospectus, see “**Capital Structure - History of the Equity Share capital held by our Promoters - Build-up of our Promoters’ equity shareholding in our Company**” on page 84 of this Draft Red Herring Prospectus.

### Our Promoters

	<p><b>DR. AQUEEL AHMED KHAN</b>, aged 57 years, is the Promoter, Chairman and Managing Director of our Company.</p> <p><b>Date of Birth:</b> September 05, 1967</p> <p><b>Permanent Account Number:</b> AAAPK1427D</p> <p><b>Residential Address:</b> V 12/3, DLF Phase 3, Near DLF Police Station, Nathupur (67), Gurgaon, Haryana – 122002.</p> <p><i>For complete profile of Dr. Aqueel Ahmed Khan, along with details of his educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see chapter titled ‘Our Management - Brief biographies of Directors’ on page 182 of this Draft Red Herring Prospectus</i></p>
	<p><b>PRABHAKAR RAWAT</b>, aged 45 years, is the Promoter and Whole-Time Director of our Company.</p> <p><b>Date of Birth:</b> June 30, 1979</p> <p><b>Permanent Account Number:</b> AFSPR5089R</p> <p><b>Residential Address:</b> V 12/3, 1<sup>st</sup> Floor, DLF Phase 3, Nathupur(67), Gurgaon, Haryana – 122002.</p> <p><i>For complete profile of Prabhakar Rawat, along with details of her educational qualifications, professional experience, position/ posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see chapter titled ‘Our Management - Brief biographies of Directors’ on page 182 of this Draft Red Herring Prospectus.</i></p>

### Our Corporate Promoter

#### ASK TRAINING AND LEARNING PRIVATE LIMITED (ATLPL)

ATLPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated April 22, 2010 issued by the Deputy Registrar of Companies, National Capital Territory of Delhi and Haryana. The corporate identification number is U73100DL2010PTC201877. ATLPL is engaged in the business of conducting training and development activities for NGOs, Private Sector and government agencies, evaluation, research, studies for various programs, projects and activities & undertakes social audits, ethical compliance studies, fair trade work and training and work on corporate social responsibility (CSR). The registered office of ATLPL is situated at C-83, Lajpat Nagar, New Delhi, South Delhi, India, 110024.

#### Capital Structure and Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the authorized share capital of ATLPL is 1,00,000 divided into 10,000 Equity Shares of ₹10/- each. The paid-up capital of the company is ₹ 1,00,000/- divided into 10,000 Equity Shares of ₹10/- each.

As on the date of this Draft Red Herring Prospectus, the Shareholding Pattern of ATLPL is as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares	Percentage of shareholding
1.	Dr. Aqueel Ahmed Khan	5,000	50.00%
2.	Ayesha Khan	5,000	50.00%
<b>Total</b>		<b>10,000</b>	<b>100.00%</b>

#### **Promoter and Beneficial Owner of ATLPL**

The promoters of ATLPL are Dr. Aqueel Ahmed Khan and Ayesha Khan.

#### **Board of Directors**

Currently, the Board of Directors of ATLPL consists of: Ayesha Khan and Manas Kumar Bhattacharyya.

#### **Shareholding in our Company**

As on the date of the Draft Red Herring Prospectus, ATLPL holds 8,85,250\* Equity Shares representing 4.80% of the pre-issue paid-up share capital of our Company.

*\*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of all outstanding CCPS.*

#### **Details of change in control of ATLPL**

There has been no change in the control of ATLPL in the last three years preceding the date of this Draft Red Herring Prospectus.

#### **Other disclosures:**

The equity shares of ATLPL are not listed on any exchange. No action has been taken against the company by any Stock Exchange or SEBI.

ATLPL is not under winding up, neither does it have a negative net worth. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against ATLPL.

#### **DECLARATION**

Our Company confirms that the Permanent Account Number (PAN), Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number(s) of our Promoters shall be submitted to the Stock Exchange at the time of filing this Draft Red Herring Prospectus.

Our Company confirms that the PAN, Bank Account Number(s), company registration number and the address of the RoC where ATLPL is registered, shall be submitted to the NSE at the time of filing this Draft Red Herring Prospectus

Our Promoters have confirmed that they have not been identified as wilful defaulters or fraudulent borrower by the RBI or any other governmental authority.

Our Promoters have not been declared as a fugitive economic offender under the provisions of Section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a Promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

#### **CHANGE IN CONTROL OF OUR COMPANY**

There have been changes in the control of our Company, the current Promoters of our Company are Dr. Aqueel Ahmed Khan, Prabhakar Rawat and ASK Training and Learning Pvt Ltd. Initial subscribers to the MoA of our Company were Amba Prashad Goel and Mahadevi Goel.

For details of acquisition of Equity Shares by our Promoters, please see '*Capital Structure - Build-up of Promoters shareholding in our Company*' on page 84 of this Draft Red Herring Prospectus.

#### **INTEREST OF PROMOTERS**

##### ***Interest in Promotion of our Company***

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholding in our Company the shareholding of their relatives and entities in which our Promoters are interested and

which hold Equity Shares in our Company and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives or such entities, if any. For further details, please refer chapter titled **“Capital Structure”** beginning on pages 84 of this Draft Red Herring Prospectus.

Dr. Aqueel Ahmed Khan and Prabhakar Rawat, promoters of our Company may also be deemed to be interested to the extent of remuneration, benefits and reimbursement of expenses payable to them as Directors on our Board. For further details, please refer chapter titled **“Our Management”** beginning on 178 of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise, by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firm or company, in connection with the promotion or formation of our Company.

#### ***Other ventures of our Promoters***

Except as set out in this chapter under heading **“Promoter Group”**, and **“Our Management”**, our Promoters are not involved with any other venture, as a shareholder/stakeholder, proprietor, partner, promoter or director.

#### ***Interest in the properties of our Company***

Other than the interest of our Director, Dr. Aqueel Ahmed Khan, on behalf of Association for Stimulating Know How, with respect to the lease of our corporate office of our Company, our Promoters do not have any interest in any property acquired by our Company including in the preceding three years from the date of this Draft Red Herring Prospectus. Further, our Promoters do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus. For more details, please refer to chapter titled **“Business Overview”** beginning on page 140, in the chapter titled **“Restated Financial Statement”** beginning on page 203.

Our Promoters are not interested as members of a firm or company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person, either to induce any of our Promoters to become, or qualify them as a director, or otherwise, for services rendered by such Promoter or by such firm or company in connection with the promotion or formation of our Company.

### **CONFIRMATIONS**

None of our Promoters and members of our Promoter Group have been declared as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower issued by Reserve Bank of India.

None of our Promoters have been declared as Fugitive Economic Offenders. None of our Promoters and members of our Promoter Group have been debarred or prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Promoters are and have been a promoter, director or person in control of any other company which is debarred or prohibited from accessing capital markets under any order or direction passed by SEBI.

### **COMMON PURSUITS OF OUR PROMOTERS**

Other than as disclosed in the chapters titled **“Our Promoter and Promoter Group”** and **“Our Management-Board of Directors”** on page 197 and 182, our Promoters are not involved with any ventures that are involved in any activities similar to those conducted by our Company:

### **DISASSOCIATION BY OUR PROMOTERS IN THE 3 YEARS**

Except mentioned below, none of our Promoters have disassociated themselves from any companies or firms during the preceding 3 years from the date of filing of this Draft Red Herring Prospectus.

<b>Name of the Promoter</b>	<b>Name of companies</b>	<b>Reason</b>
Dr. Aqueel Ahmed Khan*	Unnati Exports Private Limited	Strike off
Prabhakar Rawat	Unnati Exports Private Limited	Strike off

\* Cessation of directorship w.e.f. January 22, 2018.

### **PAYMENT OR BENEFITS TO OUR PROMOTERS**

Except in the ordinary course of business and as stated in chapter titled **“Restated Financial Statements - Related party transactions”** and **“Our Management - Payment or benefits to our Directors”** beginning on page 203 and 182 of this Draft Red Herring Prospectus, there has been no payment or benefits to our Promoter since incorporation till the date of

filing of this Draft Red Herring Prospectus, nor there is any intention to pay or give any benefit to our Promoter and Promoter Group as on the date of this Draft Red Herring Prospectus.

## **MATERIAL GUARANTEES GIVEN BY OUR PROMOTERS WITH RESPECT TO THE EQUITY SHARES**

Except as disclosed in this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party in respect of the Equity Shares, as of this date of this Draft Red Herring Prospectus.

## **OUR PROMOTER GROUP**

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, are as under:

**A. The natural persons who are part of the Promoter Group (due to their relationships with our Promoters), other than our Promoters, are as follows:**

<b>Relationship</b>	<b>Dr. Aqueel Ahmed Khan</b>	<b>Prabhakar Rawat</b>
Father	Bashir Ahmed Khan	Late Prem Singh Rawat
Mother	Rashida Bano	Kitli Devi
Brother	Shakil Khan	Nil
Sister	1) Jamila Bano 2) Shakila Hussain	Nil
Spouse	Anjum Ara	Bindiya Rawat
Son	Nil	Nil
Daughter	Ayesha Khan	Avnei Riya Rawat
Spouse's Father	Late Mohd Tahir	Preetipal Singh Rawat
Spouse's Mother	Late Firdose Jahan	Vijaya Rawat
Spouse's Brother	Late Zahid Hasan	Deepak Rawat
Spouse's Sister	Farhat Jahan	Manita Rawat

**B. Our Promoter Group as defined under Regulation 2(1)(pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

- 1) ASK Training & Learning Private Limited

## **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of the shareholding of our Promoter and Promoter Group as on the date of this Draft Red Herring Prospectus, please refer to the chapter titled “*Capital Structure*” beginning on page 84 of this Draft Red Herring Prospectus.

## **OUTSTANDING LITIGATION**

There are no outstanding litigations against our Promoters except as disclosed in the chapters titled “*Risk Factors*” and “*Outstanding Litigations and Material Developments*” beginning on pages 31 and 266 respectively of this Draft Red Herring Prospectus.

## **OUR GROUP COMPANIES**

In terms of the SEBI ICDR Regulations ‘group companies’ of our Company shall include (i) the companies (other than our Subsidiaries) with which there were related party transactions, in accordance with AS 18, as disclosed in the Restated Financial Statements; and (ii) such other companies as considered material by our Board pursuant to the materiality policy.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group companies.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled “***Financial Indebtedness***” beginning on page 257 of this Draft Red Herring Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Red Herring Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

**Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.**

**SECTION VI – FINANCIAL STATEMENTS**

**RESTATED FINANCIAL STATEMENT**

*[The Remainder of this Page has intentionally been left blank]*





## **INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

**To**

**The Board of Directors of Mitrata Inclusive Financial Services Limited (Formerly Known as Mitrata Inclusive Financial Services Private Limited)**

Dear Sirs / Madam,

- 1) We have examined the attached Restated Financial Information of **Mitrata Inclusive Financial Services Limited (Formerly known as Mitrata Inclusive Financial Services Private Limited)** the "Company", comprising the restated statement of assets and liabilities as at 31 March 2024, 31 March 2023 and 31 March 2022, the restated statements of profit and loss and the restated statement of cash flows for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, the summary statement of significant accounting policies and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 05<sup>th</sup> August 2024 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the management of the Company ("the Management") in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - (a) section 26 of Part I of Chapter III of the Companies Act, 2013 including Rules thereon, as amended (the "Act");
  - (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("ICDR Regulations"); and
  - (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
- 2) The Company's Board of Directors is responsible for the preparation of the restated financial information for the purpose of inclusion in the DRHP, to be filed with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited, and Registrar of Company (New Delhi) (as applicable), in connection with the proposed IPO. The Restated Financial Information have been prepared by the Management on the basis of preparation stated in note 2.1 to the Restated Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
- 3) We have examined such Restated Financial Information taking into consideration:
  - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 13.05.2024 in connection with the proposed IPO of equity shares of the Company;

- b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c. concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d. the requirements of section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.
- 4) These Restated Financial Information have been compiled by the Management from Audited Financial Statements of the Company as at and for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 prepared in accordance with Accounting Standard, specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors in their meeting held on 05<sup>th</sup> August 2024.
- 5) The audit reports on the financial statements issued by us were unmodified. However, the report includes Emphasis of Matter paragraph which describes the extent to which the COVID -19 Pandemic will impact the operations and financial positions of the company as at and for the year ended 31 March 2022 which is reproduced below.

“We draw attention to Note No 38 to the audited financial statements for the year ended 31<sup>st</sup> March 2022, which describes the extent to which the COVID -19 Pandemic will impact the operations and its financial position of the company which are dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.”

- 6) Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
- a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications, if any, retrospectively in the financial years ended 31 March 2024, 31 March 2023, and 31 March 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the financial year ended 31 March 2024;
  - b. there are no qualifications in the auditors' reports on the audited financial statements of the Company as at and for the years ended 31 March 2024, 2023 and 2022 which require any adjustments to the Restated Financial Information. There is an Emphasis of Matter (refer paragraph 5 above), which does not require any adjustment to the Restated Financial Information;
  - c. do not require any adjustment for modification as there is no modification in the underlying audit reports; and
  - d. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

- 7) The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited financial statements mentioned in paragraph 4 above.
- 8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 9) We have no responsibility to update our examination report for events and circumstances occurring after the date of this report.
- 10) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock Exchanges, and Registrar of Companies, New Delhi, as applicable in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For R Gopal & Associates  
Chartered Accountants  
FRN :000846C

Sd/-

S.K Agarwal  
Partner  
M.No – 093209  
UDIN: 24093209BKGOWQ5481  
Place: Gurugram  
Date: 05.08.2024

Restated Statement of Assets and Liabilities		As at March 31,2024	As at March 31,2023	As at March 31,2022
	Note No.			
<b>I. EQUITY AND LIABILITIES</b>				
<b>Shareholder's funds</b>				
Share Capital	3	1,844.09	1,844.09	1,761.23
Reserves and Surplus	4	1,968.16	1,438.78	908.79
		<b>3,812.25</b>	<b>3,282.87</b>	<b>2,670.02</b>
<b>Non-current liabilities</b>				
Long Term Borrowings	5	6,692.08	6,693.27	4,728.10
Long Term Provisions	6	231.30	242.75	451.51
		<b>6,923.38</b>	<b>6,936.02</b>	<b>5,179.61</b>
<b>Current Liabilities</b>				
Short Term Borrowings	7	11,407.91	9,104.84	7,343.85
Trade Payables	8			
MSME		1.58	-	-
Others		26.97	21.44	22.75
Other Current Liabilities	9	385.89	319.68	196.66
Short-Term Provisions	10	261.10	110.52	16.28
		<b>12,083.45</b>	<b>9,556.48</b>	<b>7,579.54</b>
<b>Total</b>		<b>22,819.08</b>	<b>19,775.37</b>	<b>15,429.17</b>
<b>II. ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant & Equipment	11	69.81	51.46	47.51
Intangible Assets	11	2.35	5.21	8.98
Intangible Assets Under Development	11	-	-	1.80
Non-Current Investment	12	-	96.97	-
Deferred Tax Assets	13	118.86	93.55	119.63
Loan Portfolio	14	5,492.03	5,986.17	4,450.83
Other Non Current Assets	15	908.14	559.58	310.00
		<b>6,591.19</b>	<b>6,792.94</b>	<b>4,938.75</b>
<b>Current Assets</b>				
Current Investment	16	-	69.26	110.40
Trade Receivables	17	244.22	106.30	167.28
Cash And Cash Equivalents	18	2,903.95	923.07	683.88
Loan Portfolio	14	12,081.78	11,185.76	8,912.54
Short Term Loan And Advances	19	54.84	59.86	60.29
Other Current Assets	20	943.10	638.18	556.03
		<b>16,227.89</b>	<b>12,982.43</b>	<b>10,490.42</b>
<b>Total</b>		<b>22,819.08</b>	<b>19,775.37</b>	<b>15,429.17</b>
<b>Significant accounting policies and notes on accounts</b>	1-42	-	-	-

The accompanying notes form an integral part of the restated financial statements

for **R Gopal & Associates**  
Chartered Accountants  
ICAI FRN: 000846C

For and on behalf of Board of Directors of  
**Mitrata Inclusive Financial Services Ltd.**  
(Formerly Known as Mitrata Inclusive Financial Services Private Limited)

Sd/-  
**CA S. K. Agarwal**  
M. No: 093209

Sd/-  
**Aqueel Ahmed Khan**  
Managing Director  
DIN: 01069477

Sd/-  
**Prabhakar Rawat**  
Whole Time Director  
DIN: 08058695

Partner  
**Gurugram | August 5, 2024**

Sd/-  
**Shalu Gupta**  
Company Secretary and Compliance Officer  
M.No. A58123

Sd/-  
**Sumit Mittal**  
Chief Financial Officer

(Rs. in Lakhs, unless otherwise stated)

Restated Statement of Profit and loss		For the year ended March 31, 2024	For the year ended March 31,2023	For the year ended March 31,2022
	Note No.			
<b>REVENUE:</b>				
Revenue From Operations	21	5,348.27	4,151.76	3,145.07
Other Income	22	75.58	76.98	42.29
<b>Total Income</b>		<b>5,423.85</b>	<b>4,228.74</b>	<b>3,187.36</b>
<b>EXPENSES:</b>				
Employee Benefits Expense	23	1,741.33	1,489.67	1,185.66
Finance Costs	24	2,267.64	1,667.22	1,309.74
Provisions and Write Off	25	166.92	87.38	336.31
Depreciation and Amortization Expense	11	36.73	34.75	36.63
Other Expenses	26	494.92	412.11	309.48
<b>Total expenses</b>		<b>4,707.54</b>	<b>3,691.13</b>	<b>3,177.82</b>
<b>Profit Before Tax</b>		<b>716.31</b>	<b>537.61</b>	<b>9.54</b>
<b>Tax Expenses</b>				
Income Tax (Current Year)		191.53	98.88	71.98
Income Tax (Earlier Year)		-	-	-
Deferred Tax		(25.31)	26.08	(74.23)
<b>Profit for the Year</b>		<b>550.09</b>	<b>412.65</b>	<b>11.79</b>
<b>Earnings per Equity Share of Rs 10 Each</b>	27			
- Basic		21.35	16.01	0.52
- Diluted		2.98	2.29	0.07

**Significant accounting policies and notes on accounts**

1-42

*The accompanying notes form an integral part of the restated financial statements*

**for R Gopal & Associates**  
Chartered Accountants  
ICAI FRN: 000846C

For and on behalf of Board of Directors of  
**Mitrata Inclusive Financial Services Ltd.**  
(Formerly Known as Mitrata Inclusive Financial Services Private Limited)

Sd/-

**CA S. K. Agarwal**  
M. No: 093209  
Partner

Sd/-

**Aqueel Ahmed Khan**  
Managing Director  
DIN: 01069477

Sd/-

**Prabhakar Rawat**  
Whole Time Director  
DIN: 08058695

**Gurugram | August 5, 2024**

Sd/-

**Shalu Gupta**  
Company Secretary and Compliance Officer  
M.No. A58123

Sd/-

**Sumit Mittal**  
Chief Financial Officer

Restated Statement of Cash flows	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit before taxation	716.31	537.61	9.54
<i>Adjustment for Non- cash (income) / expenditure:</i>			
Depreciation and amortization expense	36.73	34.75	36.63
Provision / (reversal) on portfolio	131.09	(210.22)	292.05
Contingent Provision / (reversal) on portfolio	(41.54)	84.94	-
Profit on Sale of units of Liquid funds	(55.34)	(43.59)	(14.66)
Interest on fixed deposits	(14.23)	(27.92)	(24.14)
(Profit)/Loss on discarded/sale of assets	(0.02)	0.17	0.07
<b>Operating profit before changes in operating assets</b>	<b>773.00</b>	<b>375.74</b>	<b>299.49</b>
<i>Adjustments for:</i>			
(Increase)/ decrease in other current assets	(290.69)	(56.21)	(335.13)
(Increase)/ decrease in short term loans and advances	(5.98)	(11.19)	-
(Increase)/ decrease in other non-current assets	(348.56)	(247.60)	172.14
(Increase)/ decrease in trade receivable	(137.92)	60.97	(25.24)
(Increase)/ decrease in loans portfolio	(401.89)	(3,808.56)	(5,064.65)
(Decrease)/increase in trade payables	7.11	(1.31)	(23.92)
(Decrease)/increase in long term provisions	8.04	5.99	2.53
(Decrease)/increase in short term provisions	17.68	4.77	5.02
(Decrease)/increase in other current liabilities	66.20	123.03	2.60
<b>Net cash generated from operating activities before tax</b>	<b>(313.01)</b>	<b>(3,554.37)</b>	<b>(4,967.16)</b>
<b>Less: Income tax (net of refund)</b>	<b>(156.70)</b>	<b>(87.27)</b>	<b>(72.73)</b>
<b>Net cash generated from operating activities after tax (A)</b>	<b>(469.71)</b>	<b>(3,641.64)</b>	<b>(5,039.89)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of Property, Plant & Equipment	(52.49)	(31.59)	(28.64)
Sale of Property, Plant & Equipment	0.31	0.19	-
Purchase of Intangible assets including under development	-	(1.88)	(6.71)
(Purchase)/ Sale of mutual fund (net)	55.34	43.59	164.66
(Purchase)/Sale of Current Investment (net)	69.26	41.14	27.22
(Purchase)/Sale of Non Current Investment (net)	96.97	(96.97)	-
<b>Net cash flow from investing activities (B)</b>	<b>169.39</b>	<b>(45.52)</b>	<b>156.53</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of CCPS/Equity (including security premium)	-	200.20	155.20
Fess/expenses for increase in Authorized Share Capital	(20.70)	-	-
Proceeds from borrowings	12,684.75	12,490.00	11,500.13
Repayments of borrowings	(10,382.85)	(8,763.85)	(7,355.89)
<b>Net cash generated from financing activities (C)</b>	<b>2,281.20</b>	<b>3,926.35</b>	<b>4,299.44</b>
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)	1,980.88	239.19	(583.92)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>923.07</b>	<b>683.88</b>	<b>1,267.80</b>
<b>Cash and cash equivalents at the end of the year [refer below]</b>	<b>2,903.95</b>	<b>923.07</b>	<b>683.88</b>
<b>Components of cash and cash equivalents:</b>			
Cash and cash equivalents	2,701.95	722.07	182.88
Other Bank balances	202.00	201.00	501.00
<b>Cash and cash equivalents considered for cash flow</b>	<b>2,903.95</b>	<b>923.07</b>	<b>683.88</b>
<b>Significant accounting policies and notes on accounts</b>	<b>1-42</b>		

The above Cash flow statement has been prepared under the indirect method as set out AS 3 'Statement of Cash Flows'.

The accompanying notes form an integral part of the restated financial statements

for **R Gopal & Associates**  
Chartered Accountants  
ICAI FRN: 000846C

For and on behalf of Board of Directors of  
**Mitrata Inclusive Financial Services Ltd.**  
(Formerly Known as Mitrata Inclusive Financial Services Private Limited)

Sd/-

**CA S. K. Agarwal**  
M. No: 093209  
Partner

Sd/-  
**Aqueel Ahmed Khan**  
Managing Director  
DIN: 01069477

Sd/-  
**Prabhakar Rawat**  
Whole Time Director  
DIN: 08058695

Gurugram | August 5, 2024

Sd/-  
**Shalu Gupta**  
Company Secretary and Compliance Officer  
M.No. A58123

Sd/-  
**Sumit Mittal**  
Chief Financial Officer



(Rs. in Lakhs, unless otherwise stated)

**Statement of Adjustments to the Restated Financial Information**

Particulars	For the year ended 31 March		
	2024	2023	2022
Profit after tax as per Audited Financial Statements	550.09	412.65	14.22
<b>Restatement Adjustments</b>			
Decrease in income	-	-	(3.08)
<b>Restated profit before tax adjustment</b>	550.09	412.65	11.14
Tax adjustments	-	-	0.65
Profit after tax as per Restated financial information	550.09	412.65	11.79
<b>Total</b>	<b>550.09</b>	<b>412.65</b>	<b>11.79</b>

**Notes to adjustments:**

**Note 1:**

**Audit qualifications** - There are no audit qualifications in auditor's report for the period/financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

**Note 2:**

**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 the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with audited financial statements prepared in accordance with Schedule III of the Act, applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.



**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2024**

**1 CORPORATE INFORMATION:**

**Mitrata Inclusive Financial Services Ltd. (Formerly known as Mitrata Inclusive Financial Services Pvt. Ltd.) (Herein after referred as 'the Company')** has been registered as Non-Banking Finance Company (NBFC-MFI) with effect from 18th April, 2018 by Reserve Bank of India and engaged in the business of providing micro credit services to women organized in groups with a view to enhance their income generation capabilities in the states of Madhya Pradesh, Bihar, Uttar Pradesh, Haryana and Rajasthan in India.

**2 SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Basis of preparation of financial statements**

The Restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2024, 31 March 2023, 2022, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the period/ years ended 31 March 2024, 31 March 2023, 2022, and the annexures thereto (herein collectively referred to as 'Restated Financial Information') have been compiled by the management of the Company from the then audited financial statements of the Company for the period/ years ended 31 March 2024, 31 March 2023, 31 March 2022, and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of a nation wide stock exchange.

These aforementioned audited financial statements were prepared under the historical cost convention following the going concern concept and on accrual basis of accounting, in conformity with the accounting principles generally accepted in India and comply with the accounting standard referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and the Reserve Bank of India (RBI) guidelines to the extent applicable to Non Systemically important Non-Deposit taking NBFC-MFI.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The aforementioned Restated Financial Information have been prepared in Indian Rupee (INR)

**2.2 Use of estimates**

The preparation of Financial Statements with GAAP requires management to makes judgements, estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**2.3 Revenue recognition**

- 2.3.1 Revenue from Interest on loans financed by the Company is recognized on accrual basis except in the case of Non Performing Assets ("NPAs"), where interest is recognized upon realization, in accordance of RBI guidelines.
- 2.3.2 Revenue from loan processing fees accounted upfront as and when it becomes due.
- 2.3.3 Revenue from interest income on fixed deposits with banks and cash collateral is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- 2.3.4 Profit / Loss on Investment is booked on disposal of investment.
- 2.3.5 Income from business correspondent (managed portfolio) activity is recognized on accrual basis as per the agreed terms and conditions of the arrangement/contract.
- 2.3.6 Excess interest spread on securitization/direct assignment represents income on securitized/assigned is accounted in accordance with the relevant guidelines issued by RBI. The losses arising are recognized in the Statement of Profit and Loss immediately upon receipt of sale consideration and the gains arising from the transaction are amortized over the tenor of transaction. Interest retained under assignment of loan receivable is recognized on realization basis over the life of the underlying loan portfolio.
- 2.3.7 Insurance claim received on cash basis
- 2.3.8 All other Income including fees and commission are recognized on accrual basis, when there is no uncertainty as to its ultimate realization/collection

**2.4 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.5 Property, Plant & Equipment**

Property, Plant & Equipment are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses directly related to such acquisition and installation. All assets are owned by the company. Depreciation on Property, Plant & Equipment has been provided on written down value method on useful life of the assets which is estimated by the management and in the manner prescribed in Schedule II, Part-C to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each year end.

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2024**

Subsequent expenditures related to an item of Property, Plant & Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Property, Plant & Equipment under construction and Property, Plant & Equipment acquired but not ready or put for their intended use are disclosed as capital work-in-progress.

Gains or losses arising from de-recognition of Property, Plant & Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Name of assets	Useful life of asset
Furniture and Fixtures	10 Years
Computers	3 Years
Office Equipment's	5 Years

**Intangible Assets**

Intangible assets are stated at cost of acquisition less accumulated amortization. Software expenditure is amortized over a period of 3 years on straight line method. Gains or losses arising from de-recognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**2.6 Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investment. Current investments are carried at lower of cost and fair/market value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

**2.7 Asset classification and provisioning norms:**

*Loan asset classification of the company is given in the below table:*

S.No	Particulars	Criteria
1	Standard Assets	The asset in respect of which, no default in repayment of principle or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
2	Non-Performing Asset	An asset for which, interest/ principle payment has remained overdue for a period of more than 90 days.

**Provision for own loan portfolio:**

Provision for loan portfolio has been made in accordance with the provisioning requirements for NBFC-MFI issued by the RBI vide circular no. DNBR.(PD) CC. No. 008/03.10.119/2016-17 dated September 1, 2016 (as amended) and Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions 2023 dated October 19, 2023, which require 0.25 % of Standard Portfolio and the minimum provision for qualifying portfolio to be higher of (i) 1% of the outstanding loan portfolio or (ii) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalment which are overdue for more than 180 days or more.

**Loan write off**

Under the following circumstances, loans are written off:

- The accounts, balances of which are to be written off must have been classified in as 365+ days bucket.
- There is no recovery in accounts for 6-month post 365 days bucket
- Business Head has confirmed about non possibility of recovery in the account. • The exercise of writing off of the balance is carried out in consultation with the Accounts & Operations Department at Head Office and the aggregate amount to be written off be finalized.
- Under extra-ordinary circumstances such as the death of a customer who has not received life coverage or his/her spouse and/or any other incident where in the opinion of the management, the loan amount is not recoverable.
- Where the balance outstanding at the time of closure of the loan is insignificant and in the opinion of the management, the cost of collection is not economically viable.
- All loss assets as identified in terms of the Master Directions of RBI.

**Restructuring**

Restructured portfolio has been classified as standard, sub-standard and doubtful as per the regulatory requirement and income also recognized on such portfolio accordingly.

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2024**

**2.8 Loss on Managed portfolio**

The company recognize loss on managed portfolio on actual encashment of FLDG; otherwise provision made to the extent of percentage of FLDG given on portfolio/overdue loss assets, as applicable.

**2.9 Foreign currency transaction**

Initial Recognition: Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion: Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

Exchange Difference: Exchange differences arising on the settlement of monetary items, or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**2.10 Employee benefits**

**Short term benefits**

Short term benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related services, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

**Defined contribution plan**

Provident Fund and Employee State Insurance is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred.

**Defined benefit plan**

Gratuity Liability is a defined obligation. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.

Unavailed Leave Liability is a defined obligation. The company accounts for liability for future benefits based on actuarial valuation as at the Balance Sheet date.

**2.11 Borrowings costs**

Borrowing costs which are directly attributable to the acquisition/construction of Qualifying Assets, till the time such assets are ready for intended use, are capitalized.

Borrowings costs includes interests which are recognized on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Processing fees and Ancillary borrowing cost incurred for arrangement of borrowings from banks and financial institutions are charged off up-front to the statement of profit and loss.

**2.12 Earnings per share**

Basic earnings per share computed by dividing net profit after tax attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of diluted earnings per share net profit after tax attributable to equity shareholders and weighted average number of equity shares outstanding during the year are adjusted for the effect of all dilutive potential equity equivalent shares outstanding during the year.

**2.13 Taxes on income**

Provision of Current Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

The company has provided for deferred tax charge/credit that reflects the tax differences because of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates laid down by the law, that has been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legal enforceable right for such set off. Deferred Tax Assets are reviewed at each balance sheet date for their reliability.

**2.14 Impairment of asset**

Wherever events or changes in circumstances indicate that the carrying value of assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the company recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale.

**2.15 Provisions ,contingent liabilities & contingent assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to the financial statements and notes thereto. Contingent Assets are neither recognized nor disclosed in the financial statements.

Further, the company being a NBFC-MFI also complies with the guidelines issued by the Reserve Bank of India regarding the various provisioning norms

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2024**

**2.16 Current and Non Current Classification**

All assets and liabilities are classified into current and non current.

**Assets**

An asset is classified as current when it satisfies any of following criteria:

- i. it is expected to be realized in, or is intended for sale in the Company's normal operating cycle;
- ii. it is expected to be realized within 12 months after the reporting date; or
- iii. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of operations and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months

**2.17 Leases**

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payment made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease period unless another systematic basis is more representative of the pattern of the benefit.

**2.18 Cash flow statement**

Cash flow are reported using indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated.

**2.19 Capital issue expenditure**

Capital issue expenses are adjusted from securities premium.

**2.20 Other accounting policies:**

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)			
(3) Share Capital	As at March 31,2024	As at March 31,2023	As at March 31,2022
<b>(i) Authorised</b>			
2,50,00,000 Equity Shares and 1,70,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- each (March 31,2023: 30,00,000 equity shares and 170,00,000 Compulsorily Convertible Preference Shares of Rs 10/- each March 31, 2022: 30,00,000 equity shares and 170,00,000 Compulsorily Convertible Preference Shares of Rs 10/- each)	4,200.00	2,000.00	2,000.00
<b>(ii) Issued, subscribed and paid-up</b>			
25,76,840 Equity Shares, 1,27,73,550 0.01% Compulsorily Convertible Non-Cumulative Preference shares & 30,90,559 0.001% Compulsorily Convertible Cumulative Preference shares of Rs. 10/- each fully paid-up (March 31, 2023 : 25,76,840 Equity Shares, 1,27,73,550 0.01% Compulsorily Convertible Non-Cumulative Preference shares & 30,90,559 0.001% Compulsorily Convertible Cumulative Preference shares of Rs. 10/- each fully paid-up March 31,2022 : 25,76,840 Equity Shares, 1,22,88,300 0.01 %Compulsorily Convertible Non-Cumulative Preference shares & 27,47,152 0.001% Compulsorily Convertible Cumulative Preference shares of Rs. 10/- each fully paid-up )	1,844.09	1,844.09	1,761.23
<b>Total</b>	<b>1,844.09</b>	<b>1,844.09</b>	<b>1,761.23</b>

**Term and Rights attached to Equity shares:**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Terms and Rights attached to 0.01% Compulsorily Convertible Non-Cumulative Preference shares (CCNCPS)**

The company has issued 0.01% Compulsorily Convertible Non Cumulative Preference Shares having a par value of Rs.10/- per share entitled to receive 0.01% non-cumulative dividend when and if declared by the board of directors. The share are convertible into equity share in the ratio of 1:1 on or after 12 months from the date of issuance but not later than 20 years from the date of issuance. In the event of liquidation of the company, the holders of Compulsorily Convertible Preference Shares shall be entitled to receive in preference over equity shares, an amount equal to face value of their share amount plus any accumulated but unpaid dividend as declared by the Board of Directors.

**Terms and Rights attached to 0.001% Compulsorily Convertible Cumulative Preference shares (CCCPs)**

The company has issued 0.001% Compulsorily Convertible Cumulative Preference Shares having a par value of Rs.10/- per share entitled to receive 0.001% cumulative dividend when and if declared by the board of directors. The share are convertible into equity share in the ratio of 1:1 on or after 12 months from the date of issuance but not later than 20 years from the date of issuance. In the event of liquidation of the company, the holders of Compulsorily Convertible Preference Shares shall be entitled to receive in preference over the holders of equity shares, an amount equal to face value of their CCPS amount plus any accumulated but unpaid dividend as declared by the Board of Directors.

**3.1 The reconciliation of no. of equity shares outstanding and the amount of equity share capital is set out below:**

**(i) Equity Shares of Rs. 10 each fully paid-up**

Particulars	As at March 31,2024		As at 31 March 2023		As at 31 March 2022	
	No. of equity shares	Amount (Rs.)	No. of equity shares	Amount (Rs.)	No. of equity shares	Amount (Rs.)
Number of shares at the beginning	25,76,840	257.68	25,76,840	257.68	21,76,840	217.68
Issued during the year	-	-	-	-	4,00,000	40.00
<b>Number of shares at the end of the year</b>	<b>25,76,840</b>	<b>257.68</b>	<b>25,76,840</b>	<b>257.68</b>	<b>25,76,840</b>	<b>257.68</b>

**(ii) 0.01 % Compulsorily Convertible Non- Cumulative Preference Shares (CCNCPS) of Rs. 10 each fully paid-up**

Particulars	As at March 31,2024		As at 31 March 2023		As at 31 March 2022	
	No. of CCNCPS shares	Amount (Rs.)	No. of CCNCPS shares	Amount (Rs.)	No. of CCNCPS shares	Amount (Rs.)
Number of shares at the beginning	1,27,73,550	1,277.36	1,22,88,300	1,228.83	1,22,88,300	1,228.83
Issued during the year*	-	-	4,85,250	48.53	-	-
<b>Number of shares at the end of the year</b>	<b>1,27,73,550</b>	<b>1,277.36</b>	<b>1,27,73,550</b>	<b>1,277.36</b>	<b>1,22,88,300</b>	<b>1,228.83</b>

\* In the financial year 2022-23, the Company had, issued 4,85,250 shares of face value of Rs.10/- each on right basis to the eligible shareholders which was duly authorized in accordance with the applicable laws.

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

(iii) **0.001 % Compulsorily Convertible Cumulative Preference Shares (CCCPS) of Rs. 10 each fully paid-up**

Particulars	As at March 31, 2024		As at 31 March 2023		As at 31 March 2022	
	No. of CCCPS shares	Amount (Rs.)	No. of CCCPS shares	Amount (Rs.)	No. of CCCPS shares	Amount (Rs.)
Number of shares at the beginning	30,90,559	309.06	27,47,152	274.72	27,47,152	274.72
Issued during the year*	-	-	3,43,407	34.34	-	-
<b>Number of shares at the end of the year</b>	<b>30,90,559</b>	<b>309.06</b>	<b>30,90,559</b>	<b>309.06</b>	<b>27,47,152</b>	<b>274.72</b>

\* In the financial year 2022-23, the Company had issued additional number of shares without consideration, with reference to Share Holder Agreement dated September 21, 2019 and such shares issued was correspondingly adjusted from Securities Premium Account as reflected in Note no. 4.1

**3.2 Details of shareholding pattern:**

Particulars	As at March 31, 2024		As at 31 March 2023		As at 31 March 2022	
	No. of equity shares	% Holding	No. of equity shares	% Holding	No. of equity shares	% Holding
<b>(i) Holding more than 5% of equity shares</b>						
Aqueel Ahmed Khan	17,53,400	68.04%	17,53,400	68.04%	17,53,400	68.04%
ASK Training and Learning Private Limited	4,00,000	15.52%	4,00,000	15.52%	4,00,000	15.52%
Sumit Mittal	1,76,740	6.86%	1,76,740	6.86%	1,76,740	6.86%
Prabhakar Rawat	1,46,600	5.69%	1,46,600	5.69%	1,46,600	5.69%
<b>(ii) Holding more than 5% of CCNCPS</b>						
Aqueel Ahmed Khan	84,95,800	66.51%	84,95,800	66.51%	84,95,800	69.14%
Prabhakar Rawat	22,50,000	17.61%	22,50,000	17.61%	22,50,000	18.31%
<b>(iii) Holding more than 5% of CCCPS</b>						
Farah Siddiqui	30,90,559	100.00%	30,90,559	100.00%	27,47,152	100.00%

Notes forming part of Restated Financial Statements

3.3 Disclosure of shareholding of promoters:

Amount in INR  
(Rs. in Lakhs, unless otherwise stated)

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

(i) Equity Shares of Rs. 10 each fully paid-up

Shares held by promoters		As at March 31,2024		As at March 31,2023		Change during the Year
S.No	Promoter Name	No of Shares	% of total Shares	No of Shares	% of total Shares	
1	Aqueel Ahmed Khan	17,53,400	68.04%	17,53,400	68.04%	0.00%
2	Prabhakar Rawat	1,46,600	5.69%	1,46,600	5.69%	0.00%

(ii) 0.01 % Compulsorily Convertible Non- Cumulative Preference Shares (CCNCPS) of Rs. 10 each fully paid-up

Shares held by promoters		As at March 31,2024		As at March 31,2023		Change during the Year
S.No	Promoter Name	No of Shares	% of total Shares	No of Shares	% of total Shares	
1	Aqueel Ahmed Khan	84,95,800	66.51%	84,95,800	66.51%	0.00%
2	Prabhakar Rawat	22,50,000	17.61%	22,50,000	17.61%	0.00%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

(i) Equity Shares of Rs. 10 each fully paid-up

Amount in INR

Shares held by promoters		As at March 31,2023		As at March 31,2022		Change during this Year
S.No	Promoter Name	No of Shares	% of total Shares	No of Shares	% of total Shares	
1	Aqueel Ahmed Khan	17,53,400	68.04%	17,53,400	68.04%	0.00%
2	Prabhakar Rawat	1,46,600	5.69%	1,46,600	5.69%	0.00%

(ii) 0.01 % Compulsorily Convertible Non- Cumulative Preference Shares (CCNCPS) of Rs. 10 each fully paid-up

Shares held by promoters		As at March 31,2023		As at March 31,2022		Change during this Year
S.No	Promoter Name	No of Shares	% of total Shares	No of Shares	% of total Shares	
1	Aqueel Ahmed Khan	84,95,800	66.51%	84,95,800	69.14%	-2.63%
2	Prabhakar Rawat	22,50,000	17.61%	22,50,000	18.31%	-0.70%



Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

	As at March 31,2024	As at March 31,2023	As at March 31,2022
<b>(4) Reserves and surplus</b>			
<b>4.1 Securities Premium:</b>			
Opening Balance	856.72	739.38	624.18
Add: Addition during the year	-	152.13	115.20
Less: Fess/expenses for increase in Authorized Share Capital	20.70	0.45	-
Less: Bonus Shares issued during the year*	-	34.34	-
<b>Closing balance</b>	<b>836.02</b>	<b>856.72</b>	<b>739.38</b>
* Refer Note no. 3.1(iii)			
<b>4.2 Statutory reserve under section 45-IC of Reserve Bank of India (RBI) Act, 1934</b>			
Opening Balance	113.51	30.98	28.62
Add: Addition during the year (20% of current year profit)	110.02	82.53	2.36
<b>Closing balance</b>	<b>223.53</b>	<b>113.51</b>	<b>30.98</b>
<b>4.3 Capital Reserve:</b>			
As at beginning and at end of the year	10.39	10.39	10.39
<b>Closing balance</b>	<b>10.39</b>	<b>10.39</b>	<b>10.39</b>
<b>4.4 Surplus from Statement of Profit &amp; Loss Account</b>			
Opening balance	458.15	128.03	118.60
Add: Net profit after tax transferred from Statement of profit and loss account	550.09	412.65	11.79
	<b>1,008.24</b>	<b>540.68</b>	<b>130.39</b>
<b>Less: Appropriations during the year</b>			
Transfer to Statutory Reserve	110.02	82.53	2.36
<b>Closing balance</b>	<b>898.22</b>	<b>458.15</b>	<b>128.03</b>
<b>Total</b>	<b>1,968.16</b>	<b>1,438.78</b>	<b>908.79</b>

**4.2.1 Transfer to statutory reserve**

In accordance with the provisions of Section 45 IC of the Reserve Bank of India (RBI) Act, 1934, company being a Non-Banking Finance Company (NBFC-MFI), 20% of net profit earned during the year has been transferred to Statutory reserve.

	As at March 31,2024	As at March 31,2023	As at March 31,2022
<b>(5) Long-term borrowings</b>			
<b>Secured</b>			
<b>A) Debentures</b>			
15% Non Convertible Debentures	775.00	1,550.00	-
Less: Current maturities of long term debts	775.00	775.00	-
<b>Sub-Total</b>	<b>-</b>	<b>775.00</b>	<b>-</b>

**Notes forming part of Restated Financial Statements**

*(Rs. in Lakhs, unless otherwise stated)*

<b>B) Term Loans</b>			
From Banks	8,108.95	7,699.17	6,164.92
From NBFCs	6,849.01	5,898.93	3,376.90
From Financial Institution	200.00	600.00	1,000.00
<b>Sub-Total</b>	<b>15,157.96</b>	<b>14,198.10</b>	<b>10,541.82</b>
<b>Less: Current maturities of long term debts</b>			
From Banks	4,952.13	4,455.91	2,720.32
From NBFCs	4,923.50	3,473.92	2,743.40
From Financial Institution	200.00	400.00	400.00
<b>Sub-Total</b>	<b>10,075.63</b>	<b>8,329.83</b>	<b>5,863.72</b>
<b>C) External Commercial Borrowings</b>			
From Foreign Financial Institutions	1,359.75	-	-
<b>Sub-Total</b>	<b>1,359.75</b>	<b>-</b>	<b>-</b>
<b>D) Unsecured loan</b>			
From Director's Relative*	100.00	50.00	50.00
From Corporate*	150.00	-	-
<b>Total</b>	<b>6,692.08</b>	<b>6,693.27</b>	<b>4,728.10</b>

\* Represents Subordinate Debt

Note: 15% Non Convertible Debentures are secured by hypothecation of Portfolio and personal guarantee of the Promoters (Refer note no. 32)

Loans from Banks, Corporate/Financial Institutions, are secured by hypothecation of portfolio loans and personal guarantee of the Promoters. (Refer note no. 32)

External Commercial Borrowings are secured by hypothecation of Portfolio and there is no current maturity (Refer note no. 32)

<b>(6) Long-term provisions</b>	<b>As at March 31,2024</b>	<b>As at March 31,2023</b>	<b>As at March 31,2022</b>
<b>Provision for Employee benefits</b>			
Provision for Gratuity	23.32	18.01	12.77
Provision for Leave Encashment	14.65	11.91	11.16
<b>Provision on Portfolio</b>			
Provision for non-performing assets	179.99	183.75	427.58
Contingent provision against loan assets	13.34	29.08	-
<b>Total</b>	<b>231.30</b>	<b>242.75</b>	<b>451.51</b>

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

(7) Short term borrowings		As at March 31,2024	As at March 31,2023	As at March 31,2022
<b>Secured term loans</b>				
From Financial Institution		-	-	480.00
From NBFCs		557.28	-	1,000.00
<b>Current maturities of long term debts</b>				
<b>A) Current maturities of debentures</b>				
15% Non Convertible Debentures		775.00	775.00	-
<b>B) Current maturities of term loans</b>				
From Banks		4,952.13	4,455.91	2,720.32
From NBFCs		4,923.50	3,473.93	2,743.40
From Financial Institutions		200.00	400.00	400.00
<b>Bank Overdraft</b>		-	-	0.13
<b>Total</b>		<b>11,407.91</b>	<b>9,104.84</b>	<b>7,343.85</b>

Note: 15% Non Convertible Debentures are secured by hypothecation of Portfolio and personal guarantee of the Promoters. (Refer note no. 32)  
Loans from Bank, Corporate/Financial Institutions, are secured by hypothecation of portfolio loans and personal guarantee of the Promoters. (Refer note no. 32)

(8) Trade Payables		As at March 31,2024	As at March 31,2023	As at March 31,2022
Due to MSME		1.58	-	-
Others		26.97	21.44	22.75
<b>Total</b>		<b>28.55</b>	<b>21.44</b>	<b>22.75</b>

Ageing of trade payables outstanding as at March 31, 2024 as follows:

Particulars		Outstanding for following periods from due date of payment					Total (Rs)
Trade Payables	Not Due	Less than 1 yr.	1-2 Years	2-3 Years	more than 3 years		
(i) MSME	1.58	-	-	-	-		1.58
(ii) Others	6.79	-	-	-	-		6.79
(iii) Disputed dues- MSME	-	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-	-		-
	8.37	-	-	-	-		8.37
<b>Accrued expenses</b>	-	-	-	-	-		20.18
							<b>28.55</b>

Ageing of trade payables outstanding as at March 31, 2023 as follows:

Particulars		Outstanding for following periods from due date of payment					Total (Rs)
Trade Payables	Not Due	Less than 1 yr.	1-2 Years	2-3 Years	more than 3 years		
(i) MSME	-	-	-	-	-		-
(ii) Others	5.20	-	-	-	-		5.20
(iii) Disputed dues- MSME	-	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-	-		-
	5.20	-	-	-	-		5.20
<b>Accrued expenses</b>	-	-	-	-	-		16.24
							<b>21.44</b>

Ageing of trade payables outstanding as at March 31, 2022 as follows:

Particulars		Outstanding for following periods from due date of payment					Total (Rs)
Trade Payables	Not Due	Less than 1 yr.	1-2 Years	2-3 Years	more than 3 years		
(i) MSME	-	-	-	-	-		-
(ii) Others	7.08	-	-	-	-		7.08
(iii) Disputed dues- MSME	-	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-	-		-
	7.08	-	-	-	-		7.08
<b>Accrued expenses</b>	-	-	-	-	-		15.67
							<b>22.75</b>

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

(9) Other current liabilities	As at March 31,2024	As at March 31,2023	As at March 31,2022
Payable to statutory authorities	63.77	40.62	29.18
Payable for Assignment/Securitization	145.82	97.12	47.93
Interest accrued but not due on borrowings	140.25	82.98	80.83
Employees benefits payable	27.53	54.40	33.47
Other Payables	8.52	44.56	5.25
<b>Total</b>	<b>385.89</b>	<b>319.68</b>	<b>196.66</b>

(10) Short-term provisions	As at March 31,2024	As at March 31,2023	As at March 31,2022
Provision for income tax (Net of Prepaid tax)	23.84	-	-
Provision for Gratuity	16.37	5.00	2.12
Provision for Leave Encashment	13.57	7.26	5.36
Contingent provision against loan assets	30.07	55.86	-
Provision on managed portfolio	177.25	42.40	8.80
<b>Total</b>	<b>261.10</b>	<b>110.52</b>	<b>16.28</b>

(12) Non-current Investment	As at March 31,2024	As at March 31,2023	As at March 31,2022
Interest only strip on securitized asset	-	96.97	-
<b>Total</b>	<b>-</b>	<b>96.97</b>	<b>-</b>

(13) Deferred tax assets	As at March 31,2024	As at March 31,2023	As at March 31,2022
<b>Deferred tax Assets arising on account of:</b>			
Timing difference on depreciation and amortization as per financials and income tax act	11.85	10.33	7.47
Provision on Loan Portfolio	89.92	72.55	104.20
Provision for employee benefits/ disallowances under Income Tax Act	17.09	10.67	7.96
<b>Total</b>	<b>118.86</b>	<b>93.55</b>	<b>119.63</b>

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

**Note 11: Property, Plant & Equipment**

Gross Block	Furniture and Fixtures	Computer	Office Equipment	Total
<b>Balance as at 1 April 2021</b>	<b>20.94</b>	<b>43.32</b>	<b>27.95</b>	<b>92.20</b>
Additions	6.83	12.72	9.08	28.64
Deduction/Adjustment	-	-	0.26	0.26
<b>Balance as at 31 March 2022</b>	<b>27.78</b>	<b>56.04</b>	<b>36.76</b>	<b>120.58</b>
Additions	4.72	4.66	22.21	31.59
Deduction/Adjustment	0.40	0.50	0.56	1.46
<b>Balance as at 31 March 2023</b>	<b>32.10</b>	<b>60.20</b>	<b>58.41</b>	<b>150.71</b>
Additions	10.39	25.48	16.63	52.49
Deduction/Adjustment	0.40	0.18	1.64	2.21
<b>Balance as at 31 March 2024</b>	<b>42.09</b>	<b>85.50</b>	<b>73.41</b>	<b>200.99</b>

Accumulated depreciation and amortisation	Furniture and Fixtures	Computer	Office Equipment	Total
<b>Balance as at 1 April 2021</b>	<b>6.16</b>	<b>21.93</b>	<b>14.65</b>	<b>42.75</b>
For the year	4.58	18.20	7.72	30.50
Deduction/Adjustment	-	-	0.19	0.19
<b>Balance as at 31 March 2022</b>	<b>10.74</b>	<b>40.13</b>	<b>22.19</b>	<b>73.06</b>
For the year	4.91	11.17	11.21	27.29
Deduction/Adjustment	0.24	0.47	0.39	1.10
<b>Balance as at 31 March 2023</b>	<b>15.41</b>	<b>50.83</b>	<b>33.01</b>	<b>99.25</b>
For the year	5.57	13.37	14.93	33.87
Deduction/Adjustment	0.26	0.17	1.50	1.93
<b>Balance as at 31 March 2024</b>	<b>20.72</b>	<b>64.03</b>	<b>46.44</b>	<b>131.19</b>

Net block	Furniture and Fixtures	Computer	Office Equipment	Total
<b>Balance as at 31 March 2022</b>	<b>17.04</b>	<b>15.91</b>	<b>14.58</b>	<b>47.51</b>
<b>Balance as at 31 March 2023</b>	<b>16.69</b>	<b>9.37</b>	<b>25.41</b>	<b>51.46</b>
<b>Balance as at 31 March 2024</b>	<b>21.37</b>	<b>21.47</b>	<b>26.97</b>	<b>69.81</b>

**Intangible assets**

Gross Block	Software	Total
<b>Balance as at 1 April 2021</b>	<b>15.31</b>	<b>15.31</b>
Additions	4.91	4.91
Deduction/Adjustment	-	-
<b>Balance as at 31 March 2022</b>	<b>20.22</b>	<b>20.22</b>
Additions	3.69	3.69
Deduction/Adjustment	-	-
<b>Balance as at 31 March 2023</b>	<b>23.91</b>	<b>23.91</b>
Additions	-	-
Deduction/Adjustment	-	-
<b>Balance as at 31 March 2024</b>	<b>23.91</b>	<b>23.91</b>

Accumulated depreciation and amortisation	Software	Total
<b>Balance as at 1 April 2021</b>	<b>5.10</b>	<b>5.10</b>
For the year	6.13	6.13
Deduction/Adjustment	-	-
<b>Balance as at 31 March 2022</b>	<b>11.24</b>	<b>11.24</b>
For the year	7.46	7.46
Deduction/Adjustment	-	-
<b>Balance as at 31 March 2023</b>	<b>18.69</b>	<b>18.69</b>
For the year	2.86	2.86
Deduction/Adjustment	-	-
<b>Balance as at 31 March 2024</b>	<b>21.56</b>	<b>21.56</b>

Net block	Software	Total
Balance as at 31 March 2022	8.98	8.98
Balance as at 31 March 2023	5.21	5.21
Balance as at 31 March 2024	2.35	2.35

**Intangible assets (Under Development)**

Gross Block	Software	Total
Balance as at 1 April 2021	-	-
Additions	1.80	1.80
Deduction/Adjustment	-	-
Balance as at 31 March 2022	1.80	1.80
Additions	1.88	1.88
Deduction/Adjustment	3.69	3.69
Balance as at 31 March 2023	-	-
Additions	-	-
Deduction/Adjustment	-	-
Balance as at 31 March 2024	-	-

**Ageing for Intangible assets under development as at March 31, 2024 is as follows:**

Intangible assets under development	Less than 1 year	1-3 Years	More than 3 years	Total (Rs)
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-

**Ageing for Intangible assets under development as at March 31, 2023 is as follows:**

Intangible assets under development	Less than 1 year	1-3 Years	More than 3 years	Total (Rs)
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-

**Ageing for Intangible assets under development as at March 31, 2022 is as follows:**

Intangible assets under development	Less than 1 year	1-3 Years	More than 3 years	Total (Rs)
Projects in progress	1.80	-	-	1.80
Projects temporarily suspended	-	-	-	-

(Rs. in Lakhs, unless otherwise stated)

(14) Loan Portfolio	As at March 31,2024	As at March 31,2023	As at March 31,2022
<b>Assets under management</b>	25,022.69	26,609.17	24,054.89
Less: Assigned portfolio outstanding	1,260.95	840.09	156.31
Less: Portfolio under Business Correspondence	6,187.93	8,597.15	10,535.21
<b>Own Loan Portfolio</b>	<b>17,573.81</b>	<b>17,171.93</b>	<b>13,363.37</b>
<b>Joint Liability Group</b>			
Unsecured, Standard, considered good	17,295.21	16,984.55	12,800.53
Unsecured, Sub-standard	199.07	176.96	474.59
<b>Micro Enterprise Loan</b>			
Unsecured, considered good	66.68	3.63	86.53
Unsecured, Sub-standard	12.85	6.79	1.72
<b>Total</b>	<b>17,573.81</b>	<b>17,171.93</b>	<b>13,363.37</b>

Summary of Loan Outstanding and Provisioning as per RBI Guidelines:

Assets Classification (as per RBI NBFC Directions)	As at March 31,2024		As at March 31,2023		As at March 31,2022	
	Loan Portfolio	Provision	Loan Portfolio	Provision	Loan Portfolio	Provision
<b>Joint Liability Group</b>						
Unsecured, Standard, considered good	17,295.22	43.24	16,984.55	84.92	12,800.53	-
Unsecured, Sub-standard						
Non performing asset 91-180 days	63.58	31.79	14.69	14.69	96.27	48.14
Non performing asset more than 180 days	135.48	135.48	162.27	162.27	378.32	378.32
<b>Micro Enterprise Loan</b>						
Unsecured, Standard, considered good	66.68	0.17	3.63	0.02	86.53	-
Unsecured, Sub-standard						
Non performing asset 91-180 days	0.26	0.13	2.58	2.58	1.20	0.60
Non performing asset more than 180 days	12.59	12.59	4.21	4.21	0.52	0.52
<b>Total</b>	<b>17,573.81</b>	<b>223.40</b>	<b>17,171.93</b>	<b>268.69</b>	<b>13,363.37</b>	<b>427.58</b>

(14.1) Assets Classification (Current Vs. Non Current)

Particulars	As at March 31,2024		As at March 31, 2023		As at March 31, 2022	
	Standard assets	Sub-standard assets	Standard assets	Sub-standard assets	Standard assets	Sub-standard assets
Non-Current	5,334.30	157.73	5,816.54	169.63	4,120.36	330.47
Current	12,027.59	54.19	11,171.64	14.12	8,766.70	145.84
<b>Total</b>	<b>17,361.89</b>	<b>211.92</b>	<b>16,988.18</b>	<b>183.75</b>	<b>12,887.06</b>	<b>476.31</b>

Loan Portfolio amounting to Rs. 163.97 Lakhs (March 31, 2023: Rs. 155.73 Lakhs, March 31, 2022: Rs. 124.08 Lakhs ) is hypothecated with banks, financial institutions and debenture holder against amount borrowed from the said banks, financial institutions, external commercial borrowings and debenture holder.

(15) Other Non Current Assets	As at March 31,2024	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good, unless otherwise stated</b>			
Cash Collateral against borrowings	902.70	550.29	310.00
Interest accrued but not due on FD and Cash Collateral	5.44	7.55	-
Prepaid expenses	-	1.74	-
<b>Total</b>	<b>908.14</b>	<b>559.58</b>	<b>310.00</b>

(16) Current Investments	As at March 31,2024	As at March 31, 2023	As at March 31, 2022
Interest only strip on securitized asset	-	-	110.40
Investment in Equity Tranche of Securitization	-	69.26	-
<b>Total</b>	<b>-</b>	<b>69.26</b>	<b>110.40</b>

(17) Trade Receivables	As at March 31,2024	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good</b>			
Trade Receivables - Billed	186.27	106.30	164.66
Trade Receivables - Unbilled	57.95	-	2.62
<b>Total</b>	<b>244.22</b>	<b>106.30</b>	<b>167.28</b>



Ageing for trade receivables outstanding as at March 31, 2024 as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total (Rs)
		Less than 6 months	6 months - 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	158.68	27.60	-	-	-	-	186.28
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	158.68	27.60	-	-	-	-	186.28
Trade Receivables-Unbilled							57.94
							244.22

Ageing for trade receivables outstanding as at March 31, 2023 as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total (Rs)
		Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	106.30	-	-	-	-	-	106.30
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	106.30	-	-	-	-	-	106.30
Trade Receivables-Unbilled							-
							106.30

Ageing for trade receivables outstanding as at March 31, 2022 as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total (Rs)
		Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	133.06	31.59	-	-	-	-	164.66
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	133.06	31.59	-	-	-	-	164.66
Trade Receivables-Unbilled	-	-	-	-	-	-	2.62
	-	-	-	-	-	-	167.28

(18) Cash and cash equivalents	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash in hand	2.38	5.10	6.25
<b>Balance with Banks:</b>			
Balance with current accounts	2,630.31	716.97	176.63
Fixed Deposits with Banks*	69.26	-	-
	2,701.95	722.07	182.88
<b>Other Bank balances:</b>			
Fixed Deposits with Banks**	202.00	201.00	501.00
<b>Total</b>	<b>2,903.95</b>	<b>923.07</b>	<b>683.88</b>

\* Maturity less than three months

\*\*Fixed deposits have been kept as security for overdraft facility from banks

(19) Short term Loans and Advances	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good, unless otherwise stated</b>			
Security Deposit	1.28	1.79	2.19
Advances recoverable in cash or kind for value to be received	32.39	21.82	21.64
Prepaid expenses	18.30	21.88	11.02
Advance tax (including TDS and net off provision for taxation)	-	11.00	23.17
Balance with Government Authorities	2.87	3.37	2.27
<b>Total</b>	<b>54.84</b>	<b>59.86</b>	<b>60.29</b>

(20) Other current assets	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good, unless otherwise stated</b>			
Cash Collateral against borrowings	641.84	424.66	403.69
Interest accrued but not due on loan Portfolio	263.04	206.25	117.11
Interest due but not received loan Portfolio	5.93	0.43	2.32
Interest accrued but not due on FD and Cash Collateral	32.29	6.84	32.91
<b>Total</b>	<b>943.10</b>	<b>638.18</b>	<b>556.03</b>

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31,2023	For the year ended March 31,2022
<b>(21) Revenue from operations</b>			
Interest income on loan portfolio	4,049.54	2,765.76	1,874.65
Loan processing fees	229.59	179.57	122.20
Income on securitization/assignment	50.32	83.71	54.17
Income of managed portfolio	606.02	857.02	829.23
<b>Other Operating Income</b>			
Fee and commission income	331.96	213.46	210.01
Interest on fixed deposits and cash collateral	80.84	52.24	54.81
<b>Total</b>	<b>5,348.27</b>	<b>4,151.76</b>	<b>3,145.07</b>
<b>(22) Other income</b>			
Interest on fixed deposits	14.23	27.92	24.14
Profit on Sale of units of Liquid funds	55.34	43.59	14.66
Miscellaneous Income	6.01	5.47	3.49
<b>Total</b>	<b>75.58</b>	<b>76.98</b>	<b>42.29</b>
<b>(23) Employee benefits expense</b>			
Salary, allowances and bonus	1,573.99	1,348.41	1,094.48
Gratuity	18.11	8.30	3.84
Contribution to PF & ESI	120.81	96.12	66.26
Staff development & training expense	2.25	5.81	3.07
Staff welfare expense	26.17	31.03	18.01
<b>Total</b>	<b>1,741.33</b>	<b>1,489.67</b>	<b>1,185.66</b>
<b>(24) Finance costs</b>			
Interest paid on loans	1,919.99	1,382.48	1,134.20
Interest paid on overdraft	5.17	7.42	1.60
Interest paid on debentures	172.07	141.67	-
Ancillary Borrowing cost	170.41	135.65	173.94
<b>Total</b>	<b>2,267.64</b>	<b>1,667.22</b>	<b>1,309.74</b>
<b>(25) Provision and write off</b>			
Provision for loan portfolio	(41.54)	84.94	(82.60)
Provision for loan portfolio on sub-standard asset	(3.76)	(243.83)	399.02
Loss/Provision on managed portfolio (net of recoveries)	175.36	33.42	1.07
Provision on restructured portfolio	0.00	0.00	(33.18)
Loan Portfolio written off (net of recoveries)	36.86	212.85	52.00
<b>Total</b>	<b>166.92</b>	<b>87.38</b>	<b>336.31</b>
<b>(26) Other expenses</b>			
Travelling and Conveyance expense	30.24	40.99	28.12
Professional charges including Payment to Auditors	74.12	53.12	45.50
Director Sitting fees	6.50	5.60	1.20
Cash management charges	42.30	29.79	28.79
Corporate Social Responsibility	4.37	0.00	0.00
Office Rent	106.96	82.83	62.09
Loss on assets discarded	0.00	0.17	0.07
Electricity expense	14.77	9.85	6.97
Internet / Telephone	23.44	20.50	16.78
Printing & Stationery	15.30	13.70	15.01

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

Postage & courier charges	4.17	2.81	2.94
Repair and Maintenance	39.86	23.58	18.15
Fees and Subscription	58.70	50.02	29.49
Insurance charges	15.88	14.84	9.83
Rates & Taxes	49.50	38.61	32.45
Cash embezzlement by field staff	4.73	16.24	4.13
Misc expenses	4.08	9.46	7.96
<b>Total</b>	<b>494.92</b>	<b>412.11</b>	<b>309.48</b>
<b>Payment to Statutory Auditors (Including Taxes)</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31,2023</b>	<b>For the year ended March 31,2022</b>
Audit fees	8.07	6.54	4.36
Tax audit fees	1.09	1.09	1.09
In other capacity	0.00	0.22	0.57
Reimbursement of expenses	0.09	0.09	0.08
<b>Total</b>	<b>9.25</b>	<b>7.94</b>	<b>6.10</b>

<b>(27) Earnings per share</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31,2023</b>	<b>For the year ended March 31,2022</b>
Profit / (Loss) After Tax	550.09	412.65	11.79
Less: Preference Share Dividend	0.00	0.00	0.00
Net Profit Attributable to Equity Shareholders after considering the Preference dividend	550.09	412.65	11.79
Weighted Average Number of Equity Shares for Basic EPS	25,76,840	25,76,840	22,84,840
Basic Earnings Per Share (in Rs.)	21.35	16.01	0.52
Weighted Average Number of Equity Shares for Diluted EPS	1,84,40,949	1,79,45,206	1,73,21,881
Diluted Earnings Per Share (in Rs.)	2.98	2.29	0.07
Nominal value of the share (in Rs.)	10	10	10

**(28) Related party disclosures under Accounting Standard–18:**

**(a) Names of related parties and nature of relationship**

Name of the related party	Nature of relationship
Dr Aqueel Ahmed Khan	Director and Managing Director
Mr. Prabhakar Rawat	Director
Ms. Ritika Agarwal (upto 04-07-2023)	Company Secretary
Ms. Shalu Gupta (w.e.f. 03-01-2024)	Company Secretary
Mr. Sumit Mittal (w.e.f. 01-04-2021)	Chief Financial Officer
Mrs. Anjum Ara	Relative of Director
Ms. Ayesha Khan (Remuneration paid upto 30-04-2023)	Relative of Director
Ask Training and Learning Pvt Ltd	Entity in which directors are interested
Association for Stimulating Know How	Entity in which directors are interested

**(b) Nature of Transactions:**

Nature of transaction	For the year ended March 31, 2024	For the year ended March 31,2023	For the year ended March 31,2022
<b>Unsecured loan taken (Subordinate Debt):</b>			
Mrs. Anjum Ara	50.00	-	50.00
<b>Interest paid on unsecured loans:</b>			
Mrs. Anjum Ara	8.04	7.50	6.00
<b>Interest paid on secured loans:</b>			
Ask Training and Learning Pvt Ltd	-	-	6.43
<b>Unsecured loan repaid:</b>			
Mrs. Anjum Ara	-	-	50.00
<b>Secured loan repaid:</b>			
Ask Training and Learning Pvt Ltd	-	-	91.67
<b>Remuneration paid:</b>			
Dr. Aqueel Ahmed Khan	75.00	50.82	36.22
Mr. Prabhakar Rawat	61.48	42.40	30.22
Mr. Sumit Mittal	59.96	33.99	24.22

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

Ms. Ritika Agarwal	1.44	6.20	5.02
Ms. Ayesha Khan	0.73	9.34	6.89
Ms. Shalu Gupta	1.59	-	-
<b>Rent paid:</b>			
Association for Stimulating Know How	6.55	6.00	6.00
<b>Fees and Commission income:</b>			
Association for Stimulating Know How	65.00	70.00	128.74
<b>CSR Spent</b>			
Association for Stimulating Know How	4.37	-	-
<b>Equity Shares Issued (including premium):</b>			
Ask Training and Learning Pvt Ltd	-	-	156.00
<b>0.01 % CCCNPS Issued (including premium):</b>			
Ask Training and Learning Pvt Ltd	-	200.65	-

(c) Outstanding amount pertaining to related parties at the balance sheet date

Name of the Related Party	As at 31 March 2024	As on 31 March 2023	As on 31 March 2022
Mrs. Anjum Ara- Loan payable (Subordinate Debt)	100.00	50.00	50.00

Related party relationship is as identified by the company and relied upon by the auditors.

**(29) Corporate social responsibility**

The ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) w.e.f. 1 April 2014. As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

**a) Reconciliation of provision for CSR**

Particulars	As at 31 March 2024	As on 31 March 2023	As on 31 March 2022
<b>Opening provision</b>	-	NA	NA
Provision made during the year	4.37	NA	NA
CSR expenses paid during the year	4.37	NA	NA
<b>Closing provision</b>	-	NA	NA

<b>b) Details of amount spent</b>	As at 31 March 2024	As on 31 March 2023	As on 31 March 2022
i) Construction/acquisition of any asset			
ii) on purpose other than (a) above	4.37	NA	NA

c) Details of related party transactions, e.g., contribution to a trust amounting of Rs. 4.37 Lakhs (March 31, 2023: NA, March 31, 2022: NA)

**(30) Contingent liabilities and commitments:**

**(a) Contingent liability in respect of preference shares**

Particulars	As at 31 March 2024	As on 31 March 2023	As on 31 March 2022
Dividend on Compulsory Convertible Preference Shares	68.46	68.46	68.46
	68.46	68.46	68.46

**(b) Contingent liability in respect of business correspondence**

The Company have managed portfolio under business correspondence arrangements with bank and NBFC. The total outstanding of such loans as on March 31, 2024 was Rs. 6187.93 Lakhs (March 31, 2023: Rs. 8597.15 Lakhs, March 31, 2022 : Rs. 10535.21 Lakhs). The performance security corresponding to such obligation/outstanding is Rs 302.99 Lakhs (March 31, 2023: Rs 429.86 Lakhs, March 31, 2022: Rs 526.76 Lakhs) against which corresponding performance security deposit given of principal amounting to Rs 642.26 Lakhs ( March 31, 2023: 556.84 Lakhs, March 31, 2022: 556.84 Lakhs) as per the terms of the agreement. As on March 31, 2024 there was a portfolio of Rs. 406.56 Lakhs (March 31, 2023: Rs. 593.77 Lakhs, March 31, 2022: Rs 175.97 Lakhs) which was in NPA.

**(c) Capital commitment**

Estimated amount of contract remaining to be executed on capital account and not provided for Rs. Nil (March 31, 2023: Rs. Nil, March 31, 2022: Rs. Nil)

Notes forming part of Restated Financial Statements

Note No: 31: Gratuity and Leave Encashment [Disclosure under AS - 15]

(Rs. in Lakhs, unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

	Gratuity			Leave Encashment		
	As at March 31,2024	As at March 31,2023	As at March 31,2022	As at March 31,2024	As at March 31,2023	As at March 31,2022
Present Value of Obligation as at the beginning of the year	23.01	14.90	11.06	19.17	16.53	12.81
Interest cost	1.68	0.92	0.71	1.40	1.02	0.82
Current service cost	5.66	5.28	4.64	7.38	4.97	3.16
Benefits paid	(1.43)	(0.19)	-	(5.33)	(3.63)	(4.19)
Actuarial (gains) / losses on obligation	10.77	2.10	(1.52)	5.59	0.28	3.92
<b>Present Value of Obligation as at the end of the year</b>	<b>39.69</b>	<b>23.01</b>	<b>14.89</b>	<b>28.21</b>	<b>19.17</b>	<b>16.52</b>

Balance sheet

	Gratuity			Leave Encashment		
	As at March 31,2024	As at March 31,2023	As at March 31,2022	As at March 31,2024	As at March 31,2023	As at March 31,2022
Present Value of Obligation as at the end of the year	39.69	23.01	14.89	28.22	19.17	16.52
Funded Status	(39.69)	(23.01)	(14.89)	(28.22)	(19.17)	(16.52)
<b>Net Asset / (Liability) Recognized in Balance Sheet</b>	<b>(39.69)</b>	<b>(23.01)</b>	<b>(14.89)</b>	<b>(28.22)</b>	<b>(19.17)</b>	<b>(16.52)</b>

Statement of Profit and Loss

Statement of Profit and Loss						
	Gratuity			Leave Encashment		
	For the year ended					
	March 31,2024	March 31,2023	March 31,2022	March 31,2024	March 31,2023	March 31,2022
Current service cost	5.66	5.28	4.65	7.38	4.97	3.16
Interest cost on benefit obligation	1.68	0.92	0.71	1.40	1.02	0.82
Net actuarial (gain) / loss recognized in the year	10.77	2.10	(1.52)	5.59	0.28	3.92
Net expense recognized in statement of Profit and Loss Account	18.11	8.30	3.84	14.37	6.27	7.90

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

Bifurcation of Present Value of Obligation at the end of the year

	Gratuity			Leave Encashment		
	March 31,2024	March 31,2023	March 31,2022	March 31,2024	March 31,2023	March 31,2022
Current	16.37	5.00	2.12	13.57	7.26	5.36
Non Current	23.32	18.01	12.77	14.65	11.91	11.16
<b>Net Asset / (Liability) Recognized in Balance Sheet</b>	<b>39.69</b>	<b>23.01</b>	<b>14.89</b>	<b>28.22</b>	<b>19.17</b>	<b>16.52</b>

	Gratuity			Leave Encashment		
	March 31,2024	March 31,2023	March 31,2022	March 31,2024	March 31,2023	March 31,2022

Discount rate	7.18%	7.30%	6.19%	7.18%	7.30%	6.19%
Expected rate of return on assets	NA	NA	NA	NA	NA	NA
Salary escalation rate	8.00%	9.00%	9.00%	8.00%	9.00%	9.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

**Note No 32: Borrowings - Terms and conditions - Security / Repayment**

S. No.	Lendor Name	Purpose	Rate of Interest	Tenure (in months)	Outstanding amount as on		
					As at March 31,2024	As at March 31,2023	As at March 31,2022
A) Secured Loans							
From Corporate and Financial Institutions							
1	Ambit Finvest Private Limited	On Lending	16.00%	24	155.91	-	-
2	Arohan Financial Services Limited	On Lending	16.00%	24	-	-	148.76
3	Arohan Financial Services Limited	On Lending	14.00%	18	-	-	106.59
4	Arohan Financial Services Limited	On Lending	15.00%	24	712.50	-	-
5	Arohan Financial Services Limited	On Lending	15.00%	24	192.69	-	-
6	Blacksoil Capital Private Limited	On Lending	15.85%	24	291.67	-	-
7	Electronica Finance Limited	On Lending	14.25%	24	64.54	162.94	-
8	Electronica Finance Limited	On Lending	14.85%	24	173.50	300.00	-
9	Electronica Finance Limited	On Lending	15.75%	24	139.16	-	-
10	Vivriti Capital Limited	On Lending	16.00%	24	-	-	33.67
11	Vivriti Capital Limited	On Lending	16.00%	24	-	-	74.32
12	Vivriti Capital Limited	On Lending	14.25%	21	-	229.59	500.00
13	Vivriti Capital Limited	On Lending	15.00%	24	145.83	395.83	-
14	Vivriti Capital Limited	On Lending	15.75%	24	270.83	500.00	-
15	Vivriti Capital Limited	On Lending	16.00%	24	479.17	-	-
16	Northern Arc Capital Limited	On Lending	16.00%	24	-	-	15.50
17	Northern Arc Capital Limited	On Lending	16.00%	24	-	-	22.53
18	Northern Arc Capital Limited	On Lending	16.00%	24	-	-	96.13
19	Northern Arc Capital Limited	On Lending	15.00%	24	-	-	71.07
20	Northern Arc Capital Limited	On Lending	15.00%	24	-	-	47.37
21	Northern Arc Capital Limited	On Lending	14.25%	24	-	-	375.10
22	Northern Arc Capital Limited	On Lending	13.40%	12	-	-	1,000.00
23	Northern Arc Capital Limited	On Lending	14.20%	12	500.00	-	-
24	UC Inclusive Credit Private Limited	On Lending	15.75%	24	-	-	136.49
25	UC Inclusive Credit Private Limited	On Lending	16.65%	24	482.30	-	-
26	InCred Financial Services Limited	On Lending	14.50%	24	93.86	349.10	-
27	Friends of WWB, India	On Lending	15.00%	24	-	-	34.78
28	Friends of WWB, India	On Lending	14.00%	24	-	-	34.79
29	Friends of WWB, India	On Lending	15.00%	24	8.70	60.87	-
30	Friends of WWB, India	On Lending	14.00%	24	65.22	-	-
31	Friends of WWB, India	On Lending	15.50%	24	65.22	-	-
32	Friends of WWB, India	On Lending	15.50%	24	82.61	-	-
33	Caspian Impact Investments Private Limited	On Lending	15.75%	24	-	-	75.00
34	Caspian Impact Investments Private Limited	On Lending	14.25%	24	-	-	78.41
35	Caspian Impact Investments Private Limited	On Lending	14.25%	22	-	119.32	200.00
36	Caspian Impact Investments Private Limited	On Lending	15.00%	24	104.17	354.17	-
37	Caspian Impact Investments Private Limited	On Lending	14.50%	24	200.00	400.00	-
38	Caspian Impact Investments Private Limited	On Lending	15.75%	24	479.16	-	-
39	Maanaveeya Development & Finance Private Limited	On Lending	14.75%	24	-	299.90	699.98
40	Maanaveeya Development & Finance Private Limited	On Lending	14.75%	24	250.04	500.00	-
41	Maanaveeya Development & Finance Private Limited	On Lending	14.75%	24	400.00	-	-
42	Manappuram Finance Limited	On Lending	14.65%	24	409.35	889.87	-
43	Muthoot Microfin Limited	On Lending	16.00%	24	150.00	300.00	-
44	Nabfins Limited	On Lending	15.50%	24	177.29	300.00	-
45	Nabsamruddhi Finance Limited	On Lending	14.25%	24	14.97	83.70	-
46	Nabsamruddhi Finance Limited	On Lending	14.25%	24	22.45	55.81	-
47	Nabsamruddhi Finance Limited	On Lending	14.85%	24	69.92	-	-

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

48	Nabsamrudhi Finance Limited	On Lending	14.85%	24	34.96	-	-
49	RAR Fincare Limited	On Lending	15.50%	36	68.98	97.83	-
50	RAR Fincare Limited	On Lending	16.00%	36	122.56	-	-
51	RAR Fincare Limited	On Lending	16.00%	36	93.36	-	-
52	Finhive Capital Private Limited	On Lending	15.00%	12	57.28	-	-
53	Real Touch Finance Limited	On Lending	16.00%	24	186.46	-	-
54	Real Touch Finance Limited	On Lending	15.75%	24	192.86	-	-
55	Usha Financial Services Limited	On Lending	16.50%	24	270.44	500.00	-
56	Usha Financial Services Limited	On Lending	16.00%	24	178.33	-	-
57	Ananya Finance For Inclusive Growth Private Limited	On Lending	14.75%	24	-	-	25.00
58	Ananya Finance For Inclusive Growth Private Limited	On Lending	14.75%	24	-	-	37.50
59	Grow Money Capital Private Limited (Formerly Known as Eclear Leasing & Finance)	On Lending	15.00%	24	-	-	161.04
60	Hinduja Leyland Finance Limited	On Lending	14.80%	24	-	-	38.01
61	Moneywise Financial Services	On Lending	15.65%	24	-	-	159.08
62	Capital India Finance Limited	On Lending	12.70%	18	-	-	205.79
<b>Sub total</b>					<b>7,406.29</b>	<b>5,898.93</b>	<b>4,376.91</b>
<b>From Banks</b>							
63	Jana Small Finance Bank	On Lending	12.47%	36	243.29	777.79	1,249.99
64	Jana Small Finance Bank	On Lending	13.50%	24	383.87	975.50	-
65	State Bank of India	On Lending	9.00%	36	241.76	1,170.29	2,065.90
66	State Bank of India	On Lending	12.20%	27	1,044.51	-	-
67	Bank of Baroda	On Lending	9.35%	36	125.10	375.06	625.02
68	SIDBI	On Lending	8.75%	36	200.00	600.00	1,480.00
69	Bandhan Bank Limited	On Lending	13.00%	18	-	40.00	280.00
70	Bandhan Bank Limited	On Lending	13.00%	18	-	166.67	500.00
71	Bandhan Bank Limited	On Lending	13.50%	24	365.24	590.00	-
72	Dhanlaxmi Bank Limited	On Lending	11.50%	36	500.00	-	-
73	Indian Overseas Bank	On Lending	9.45%	36	283.34	639.68	1,000.00
74	Indian Overseas Bank	On Lending	12.40%	36	727.27	1,000.00	-
75	Indian Overseas Bank	On Lending	12.40%	36	1,500.00	-	-
76	Canara Bank	On Lending	9.35%	36	107.99	275.88	444.00
77	AU Small Finance Bank Limited	On Lending	14.00%	24	238.10	809.52	-
78	AU Small Finance Bank Limited	On Lending	14.50%	24	1,200.00	-	-
79	Union Bank of India	On Lending	10.35%	36	515.15	878.79	-
80	Union Bank of India	On Lending	11.45%	24	633.33	-	-
<b>Sub total</b>					<b>8,308.95</b>	<b>8,299.18</b>	<b>7,644.91</b>
<b>B) Secured Non Convertible Debentures (NCD)</b>							
81	Promising Lenders Funds (NCD-1)	On Lending	15.00%	28	775.00	1,550.00	-
<b>Sub total</b>					<b>775.00</b>	<b>1,550.00</b>	<b>-</b>
<b>C) External Commercial Borrowings (ECB)</b>							
82	Grameen Credit Agricole Microfinance Foundation	On Lending	7.50%	53	1,359.75	-	-
<b>Sub total</b>					<b>1,359.75</b>	<b>-</b>	<b>-</b>
<b>D) Unsecured Loans</b>							
<b>From Individual</b>							
83	Anjum Ara	On Lending	15.00%	61	50.00	50.00	50.00
84	Anjum Ara	On Lending	14.00%	66	50.00	-	-
<b>Sub total</b>					<b>100.00</b>	<b>50.00</b>	<b>50.00</b>
<b>From Corporates</b>							
85	M-Swasth Solutions Private Limited	On Lending	14.00%	66	100.00	-	-
86	Uthaa Technologies Private Limited	On Lending	14.00%	66	50.00	-	-
<b>Sub total</b>					<b>150.00</b>	<b>-</b>	<b>-</b>
<b>Total</b>					<b>18,099.99</b>	<b>15,798.11</b>	<b>12,071.82</b>



Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

33 Additional disclosures pursuant to Reserve Bank of India (RBI) Circulars / Notifications issued from time to time:

33.1 Additional disclosures as per the Master Direction- Non Banking Finance Company - Non Systemically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016;

Computation of Margin cap	For the Year ended		
	31-Mar-2024	31-Mar-2023	31-Mar-2022
a. Average Interest charged by the company	24.83%	21.41%	20.57%
b. Average Cost of Borrowings	13.61%	12.45%	12.51%
c. Margin Cap (a-b)	11.22%	8.96%	8.06%

33.2 Reserve Bank Directions vide circular no. RBI/2010-11/18, DNBS (PD).CC.No.178/03.02.001/2010-11: Dated: 1 July 2010;

33.2.1 Capital to Risk-Assets ratio (CRAR);

The CRAR has been computed by availing benefit specified in the notification no. DNBS (PD) CC. No. 300/03.10.038/2012-13 dated August 3, 2012 applicable to 'NBFC-MFIs'.

Particulars	As at		
	31-Mar-2024	31-Mar-2023	31-Mar-2022
CRAR (%)	20.41%	17.27%	18.28%
CRAR - Tier I capital (%)	19.21%	17.04%	17.99%
CRAR - Tier II capital (%)	1.20%	0.23%	0.29%
Amount of subordinated debt included in Tier-II capital	200.00	40.00	50.00

Note: Capital Reserve are considered as Free Reserves.

33.2.2 Company's exposure to real estate sector Nil Nil

33.3 Reserve Bank Directions vide circular no. RBI/2014-15/299, DNBS (PD).CC.No.002/03.10.001/2014-15: Dated: November 10, 2014;

33.3.1	Registration / license / authorization obtained from other financial sector regulators; - Reserve Bank of India	B-14.02500
	Rating assigned by credit rating agencies and migration of ratings during the year;	BBB-
	Penalties, if any, levied by any regulator;	Nil
	Information viz., area, country of operation and joint venture partners with regard to Joint Ventures and Overseas Subsidiaries.	Not Applicable

Note: Smera has done Grading and Code of Conduct Assessment during the financial year FY23-24 and assigned M2 and C1 respectively. (March 31, 2023: M3 and C2, March 31, 2022: M3 and C2)

33.3.2 Investments;

Particulars	As at March 31, 2024	As at 31 March 2023	As at 31 March 2022
<b>Value of Investments</b>	-	-	-
Gross Value of Investments	-	-	-
(a) In India	-	-	-
(b) Outside India,	-	-	-
<b>Provisions for Depreciation</b>	-	-	-
(a) In India	-	-	-
(b) Outside India,	-	-	-
<b>Net Value of Investments</b>	-	-	-
(a) In India	-	-	-
(b) Outside India,	-	-	-
<b>Movement of provisions held towards depreciation on investments</b>	-	-	-
Opening balance	-	-	-
Add : Provisions made during the year	-	-	-
Less : Write-off / write-back of excess provisions during the year	-	-	-
Closing balance	-	-	-

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

33.3.3 Derivatives:

The Company has no transactions / exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure in the current and previous year.

The Company has availed External Commercial Borrowings (ECBs) of EURO 15.00 Lakhs during the year for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI"). The principal is payable in 5 semi-annual instalments starting from 15th April 2026. In terms of the RBI guidelines, the borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps and full currency swaps.

33.3.4 Disclosures relating to Securitization/Direct Assignment:

Amount in INR

S.No.	Particulars	As at		
		31-Mar-2024	31-Mar-2023	31-Mar-2022
1	No. of SPVs sponsored by the NBFC for Securitization/Direct Assignment transaction	2	1	2
2	Total amount of securitized/assigned asset as per books of the SPVs sponsored by the NBFC	1,401.05	840.09	156.56
3	Total amount of exposure retained by the NBFC to comply with the MRR as on balance sheet date			
	A) Off balance sheet exposure			
	- First Loss	-	69.26	27.60
	- Others	-	NIL	NIL
	B) On balance sheet exposure			
	- First Loss	-	96.97	110.40
	- Others	140.11	-	0.25
4	Amount of exposures to securitization transactions other than MRR			
	A) Off balance sheet exposure	NIL	NIL	NIL
	i) Exposure to own securitization			
	- First Loss			
	- Others			
	ii) Exposure to third party securitization			
	- First Loss			
	- Others			
	B) On balance sheet exposure			NIL
	i) Exposure to own securitization			
	- First Loss			
	- Others	-	69.26	-
	ii) Exposure to third party securitization			
	- First Loss			
	- Others			

	Details of Securitization/Assignment transaction during the year	31-Mar-2024	31-Mar-2023	31-Mar-2022
(i)	Number of Accounts	7,979	5,535	-
(ii)	Aggregate value of account sold	2,026.10	1,288.31	-
(iii)	Aggregate consideration	1,823.49	1,288.31	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier year	-	-	-
(v)	Aggregate gain/ loss over net book value	-	-	-

33.3.5 Exposures to Capital Market\*:

Nil

\* Investment in liquid debt fund has not been considered in capital Market.

Amount in INR

33.3.6 Additional Disclosures;	For the Year ended		
	31-Mar-2024	31-Mar-2023	31-Mar-2022
Provisions and Contingencies (for the year)			
Provision towards Income tax (Gross)	191.53	98.88	71.98
Provision for Compensated absences	14.37	6.28	7.91
Provision for Gratuity	18.11	8.30	3.84
Provision on restructured portfolio	-	-	33.18
Provision for Standard Assets	(41.54)	84.94	(82.60)
Provision for non-standard Assets	(3.76)	(243.83)	399.02
Loss/Provision on managed portfolio (net)	175.36	33.42	1.07

Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

33.3.7	<table><tr><th>Particulars</th><th>31-Mar-2024</th><th>31-Mar-2023</th><th>31-Mar-2022</th></tr><tr><td>Draw Down from Reserves</td><td>20.70</td><td>34.34</td><td>Nil</td></tr></table>	Particulars	31-Mar-2024	31-Mar-2023	31-Mar-2022	Draw Down from Reserves	20.70	34.34	Nil																																																												
Particulars	31-Mar-2024	31-Mar-2023	31-Mar-2022																																																																		
Draw Down from Reserves	20.70	34.34	Nil																																																																		
33.3.8	<table><tr><th>Concentration of Advances</th><th>31-Mar-2024</th><th>31-Mar-2023</th><th>31-Mar-2022</th></tr><tr><td>Total Advances to twenty largest borrowers</td><td>28.00</td><td>15.77</td><td>16.12</td></tr><tr><td>Percentage of Advances to twenty largest borrowers to Total Advances</td><td>0.16%</td><td>0.09%</td><td>0.12%</td></tr></table>	Concentration of Advances	31-Mar-2024	31-Mar-2023	31-Mar-2022	Total Advances to twenty largest borrowers	28.00	15.77	16.12	Percentage of Advances to twenty largest borrowers to Total Advances	0.16%	0.09%	0.12%																																																								
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33.3.9	<table><tr><th>Concentration of Non performing assets (NPA)</th><th>31-Mar-2024</th><th>31-Mar-2023</th><th>31-Mar-2022</th></tr><tr><td>Top Exposures to top four NPA accounts</td><td>2.49</td><td>2.42</td><td>2.41</td></tr></table>	Concentration of Non performing assets (NPA)	31-Mar-2024	31-Mar-2023	31-Mar-2022	Top Exposures to top four NPA accounts	2.49	2.42	2.41																																																												
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33.3.10	<table><tr><th>Sector wise Non performing assets-NPAs</th><th>31-Mar-2024</th><th>31-Mar-2023</th><th>31-Mar-2022</th></tr><tr><td>Agriculture &amp; allied activities i.e. Micro Lending Activities</td><td>134.29</td><td>124.46</td><td>333.83</td></tr><tr><td>MSME</td><td>75.41</td><td>56.52</td><td>136.80</td></tr><tr><td>Corporate borrowers</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Services</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Unsecured personal loans</td><td>2.22</td><td>2.76</td><td>5.69</td></tr><tr><td>Auto loans</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Other personal loans</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table>	Sector wise Non performing assets-NPAs	31-Mar-2024	31-Mar-2023	31-Mar-2022	Agriculture & allied activities i.e. Micro Lending Activities	134.29	124.46	333.83	MSME	75.41	56.52	136.80	Corporate borrowers	Nil	Nil	Nil	Services	Nil	Nil	Nil	Unsecured personal loans	2.22	2.76	5.69	Auto loans	Nil	Nil	Nil	Other personal loans	Nil	Nil	Nil																																				
Sector wise Non performing assets-NPAs	31-Mar-2024	31-Mar-2023	31-Mar-2022																																																																		
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33.3.11	<table><tr><th>Movement of Non performing assets-NPAs</th><th>31-Mar-2024</th><th>31-Mar-2023</th><th>31-Mar-2022</th></tr><tr><td>Net NPAs to Net Advances (%)</td><td>0.18%</td><td>0.00%</td><td>0.36%</td></tr><tr><td>Movement of NPAs (Gross)</td><td></td><td></td><td></td></tr><tr><td>Opening balance</td><td>183.75</td><td>476.31</td><td>38.91</td></tr><tr><td>Additions during the year</td><td>130.23</td><td>50.67</td><td>467.48</td></tr><tr><td>Reductions during the year</td><td>(102.06)</td><td>343.24</td><td>(30.07)</td></tr><tr><td>Closing balance</td><td>211.92</td><td>183.75</td><td>476.31</td></tr><tr><td>Movement of Net NPAs</td><td></td><td></td><td></td></tr><tr><td>Opening balance</td><td>-</td><td>48.74</td><td>10.59</td></tr><tr><td>Additions during the year</td><td>31.92</td><td>-</td><td>48.74</td></tr><tr><td>Reductions during the year</td><td>-</td><td>(48.74)</td><td>(10.59)</td></tr><tr><td>Closing balance</td><td>31.92</td><td>-</td><td>48.74</td></tr><tr><td>Movement of Provisions for NPAs (excluding provisions on standard assets)</td><td></td><td></td><td></td></tr><tr><td>Opening balance</td><td>183.75</td><td>427.58</td><td>28.55</td></tr><tr><td>Provisions made during the year</td><td>98.31</td><td>50.67</td><td>451.02</td></tr><tr><td>Write-off / write-back of excess provisions*</td><td>102.07</td><td>294.50</td><td>52.00</td></tr><tr><td>Closing balance</td><td>179.99</td><td>183.75</td><td>427.58</td></tr></table> <p><i>*Written off during the year</i></p>	Movement of Non performing assets-NPAs	31-Mar-2024	31-Mar-2023	31-Mar-2022	Net NPAs to Net Advances (%)	0.18%	0.00%	0.36%	Movement of NPAs (Gross)				Opening balance	183.75	476.31	38.91	Additions during the year	130.23	50.67	467.48	Reductions during the year	(102.06)	343.24	(30.07)	Closing balance	211.92	183.75	476.31	Movement of Net NPAs				Opening balance	-	48.74	10.59	Additions during the year	31.92	-	48.74	Reductions during the year	-	(48.74)	(10.59)	Closing balance	31.92	-	48.74	Movement of Provisions for NPAs (excluding provisions on standard assets)				Opening balance	183.75	427.58	28.55	Provisions made during the year	98.31	50.67	451.02	Write-off / write-back of excess provisions*	102.07	294.50	52.00	Closing balance	179.99	183.75	427.58
Movement of Non performing assets-NPAs	31-Mar-2024	31-Mar-2023	31-Mar-2022																																																																		
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33.3.12	<table><tr><td>Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)</td><td>Not Applicable</td></tr></table>	Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	Not Applicable																																																																		
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33.3.13	<table><tr><th>Disclosure of Complaints;</th><th>31-Mar-2024</th><th>31-Mar-2023</th><th>31-Mar-2022</th></tr><tr><td>Customer Complaints</td><td></td><td></td><td></td></tr><tr><td>No. of complaints pending at the beginning of the year</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>No. of complaints received during the year</td><td>42</td><td>174</td><td>482</td></tr><tr><td>No. of complaints redressed during the year</td><td>42</td><td>174</td><td>482</td></tr><tr><td>No. of complaints pending at the end of the year</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table> <p><i>Note: The above information has been complied from the grievance database/tracker maintained by the company</i></p>	Disclosure of Complaints;	31-Mar-2024	31-Mar-2023	31-Mar-2022	Customer Complaints				No. of complaints pending at the beginning of the year	Nil	Nil	Nil	No. of complaints received during the year	42	174	482	No. of complaints redressed during the year	42	174	482	No. of complaints pending at the end of the year	Nil	Nil	Nil																																												
Disclosure of Complaints;	31-Mar-2024	31-Mar-2023	31-Mar-2022																																																																		
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No. of complaints pending at the end of the year	Nil	Nil	Nil																																																																		
33.3.14	<table><tr><th>Information on instances of fraud</th><th>31-Mar-2024</th><th>31-Mar-2023</th><th>31-Mar-2022</th></tr><tr><td>Nature of fraud</td><td></td><td></td><td></td></tr><tr><td>i) Cash embezzlement by field staff</td><td></td><td></td><td></td></tr><tr><td>No. of cases</td><td>56</td><td>90</td><td>1</td></tr><tr><td>Amount involved</td><td>6.79</td><td>14.99</td><td>1.49</td></tr><tr><td>Amount recovered</td><td>2.39</td><td>0.17</td><td>-</td></tr><tr><td>Amount provided</td><td>4.40</td><td>13.90</td><td>1.49</td></tr><tr><td>Balance to be recovered*</td><td>-</td><td>0.92</td><td>-</td></tr><tr><td>ii) Robbery</td><td></td><td></td><td></td></tr><tr><td>No. of cases</td><td>1</td><td>2</td><td>4</td></tr><tr><td>Amount involved</td><td>6.18</td><td>2.84</td><td>2.64</td></tr><tr><td>Amount recovered</td><td>5.85</td><td>3.71</td><td>-</td></tr><tr><td>Amount provided/(Reversed)</td><td>0.33</td><td>(0.86)</td><td>2.64</td></tr><tr><td>Balance to be recovered (Claim Lodged)</td><td>-</td><td>-</td><td>-</td></tr></table>	Information on instances of fraud	31-Mar-2024	31-Mar-2023	31-Mar-2022	Nature of fraud				i) Cash embezzlement by field staff				No. of cases	56	90	1	Amount involved	6.79	14.99	1.49	Amount recovered	2.39	0.17	-	Amount provided	4.40	13.90	1.49	Balance to be recovered*	-	0.92	-	ii) Robbery				No. of cases	1	2	4	Amount involved	6.18	2.84	2.64	Amount recovered	5.85	3.71	-	Amount provided/(Reversed)	0.33	(0.86)	2.64	Balance to be recovered (Claim Lodged)	-	-	-												
Information on instances of fraud	31-Mar-2024	31-Mar-2023	31-Mar-2022																																																																		
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Balance to be recovered (Claim Lodged)	-	-	-																																																																		

Notes forming part of Restated Financial Statements

33.3.15 Additional disclosures as per RBI

(Rs. in Lakhs, unless otherwise stated)

Particulars			
Liabilities side		Amount outstanding	Amount overdue
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
	(a) Debentures : Secured	782.62	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	15,594.84	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans (specify nature)	-	-
	Subordinate Debt	250.72	-
	External Commercial Borrowings	1,412.05	(200)
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
Assets side		Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	-	-
	(b) Unsecured	17,573.81	-
4	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
5	Break-up of Investments		
	Current Investments		
1	Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
2	Unquoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Investment in Equity Tranche of Securitization	-	-

<b>Long Term investments</b>		
1	Quoted	
	(i) Shares	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
2	Unquoted	
	(i) Shares	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	Interest only strip on securitized asset	-
<b>6 Borrower group-wise classification of assets financed as in (3) and (4) above :</b>		
	<b>Category</b>	<b>Amount net of provisions</b>
		<b>Secured      Unsecured      Total</b>
1	<b>Related Parties</b>	
	(a) Subsidiaries	-      -      -
	(b) Companies in the same group	-      -      -
	(c) Other related parties	-      -      -
2	<b>Other than related parties</b>	-      17,350.41      17,350.41
	<b>Total</b>	
<b>7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>		
	<b>Category</b>	<b>Market Value / Break up or fair value or NAV      Book Value (Net of Provisions)</b>
1	<b>Related Parties</b>	
	(a) Subsidiaries	-      -      -
	(b) Companies in the same group	-      -      -
	(c) Other related parties	-      -      -
2	<b>Other than related parties</b>	-      -      -
	<b>Total</b>	
<b>8 Other information</b>		
	<b>Particulars</b>	<b>Amount</b>
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	211.92
(ii)	Net Non-Performing Assets	-
	(a) Related parties	-
	(b) Other than related parties	31.92
(iii)	Assets acquired in satisfaction of debt	-

**MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED**  
(FORMERLY KNOWN AS MITRATA INCLUSIVE FINANCIAL SERVICES PRIVATE LIMITED)

CIN :U74899DL1985PTC020900

Notes forming part of Restated Financial Statements



**33.3.16 Public disclosure on liquidity risk**

(Rs. in Lakhs, unless otherwise stated)

Disclosure as required in terms of Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies vide circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019:

**1. Funding concentration based on significant counterparties (both deposits and borrowings)**

S.No.	Number of Significant Counterparties	Amount (in Rs.)	% of Total Deposits	% of Total Liabilities
1	Indian Overseas Bank	2,510.62	NA	13.87%
2	AU Small Finance Bank Limited	1,438.10	NA	7.95%
3	Grameen Credit Agricole Microfinance Foundation	1,359.75	NA	7.51%
4	State Bank of India	1,286.27	NA	7.11%
5	Union Bank of India	1,148.48	NA	6.35%
6	Arohan Financial Services Limited	905.19	NA	5.00%
7	Vivriti Capital Limited	895.83	NA	4.95%
8	Caspian Impact Investments Private Limited	783.33	NA	4.33%
9	Promising Lenders Funds (NCD-1)	775.00	NA	4.28%
10	Maanaveeya Development & Finance Private Limited	650.04	NA	3.59%
11	Jana Small Finance Bank	627.16	NA	3.46%
12	Northern Arc Capital Limited	500.00	NA	2.76%
13	Dhanlaxmi Bank Limited	500.00	NA	2.76%
14	UC Inclusive Credit Private Limited	482.30	NA	2.66%
15	Usha Financial Services Limited	448.77	NA	2.48%
16	Manappuram Finance Limited	409.35	NA	2.26%
17	Real Touch Finance Limited	379.32	NA	2.10%
18	Electronica Finance Limited	377.20	NA	2.08%
19	Bandhan Bank Limited	365.24	NA	2.02%
20	Blacksoil Capital Private Limited	291.67	NA	1.61%
21	RAR Fincare Limited	284.90	NA	1.57%
22	Friends of WWB, India	221.74	NA	1.23%
23	SIDBI	200.00	NA	1.10%
24	Nabfins Limited	177.29	NA	0.98%
25	Ambit Finvest Private Limited	155.91	NA	0.86%
26	Muthoot Microfin Limited	150.00	NA	0.83%
27	Nabsamruddhi Finance Limited	142.30	NA	0.79%
28	Bank of Baroda	125.10	NA	0.69%
29	Canara Bank	107.99	NA	0.60%
30	Anjum Ara	100.00	NA	0.55%
31	M-Swasth Solutions Private Limited	100.00	NA	0.55%
32	InCred Financial Services Limited	93.86	NA	0.52%
33	Finhive Capital Private Limited	57.28	NA	0.32%
34	Uthaa Technologies Private Limited	50.00	NA	0.28%
<b>Grand Total</b>		<b>18,099.99</b>		<b>100.00%</b>

**2. Top 20 large deposits (amount in Rs. and % of total deposits)**

Nil as on March 31, 2024

**3. Top 10 Borrowings (amount in Rs. and % of total Borrowings)**

S.No.	Number of Significant Counterparties	Amount (in Rs.)	% of Total Deposits	% of Total Liabilities
1	Indian Overseas Bank	2,510.62	NA	13.87%
2	AU Small Finance Bank Limited	1,438.10	NA	7.95%
3	Grameen Credit Agricole Microfinance Foundation	1,359.75	NA	7.51%
4	State Bank of India	1,286.27	NA	7.11%
5	Union Bank of India	1,148.48	NA	6.35%
6	Arohan Financial Services Limited	905.19	NA	5.00%
7	Vivriti Capital Limited	895.83	NA	4.95%
8	Caspian Impact Investments Private Limited	783.33	NA	4.33%
9	Promising Lenders Funds (NCD-1)	775.00	NA	4.28%
10	Maanaveeya Development & Finance Private Limited	650.04	NA	3.59%

**4. Funding Concentration based on significant instrument/product:**

S.No.	Name of Instrument/Product	Amount (in Rs.)	% of Total Liabilities
1	Non-Convertible Debentures	775.00	4.28%
2	Subordinate Debt	250.00	1.38%
3	Term Loans	15,715.24	86.83%
4	External Commercial Borrowings	1,359.75	7.51%
4	Others (Including Bank Overdraft, Securitization & Lease Liability)	-	-
<b>Grand Total</b>		<b>18,099.99</b>	<b>100.00%</b>

**5. Stock Ratios**

S.No.	Ratios	As on March 31, 2024
1	Commercial Paper (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	Nil
2	Non-convertible debentures (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	Nil

3	Other Short-term liabilities as a % of Total Public Funds	Nil
	Other Short-term liabilities as a % of Total Liabilities	52.95%
	Other Short-term liabilities as a % of Total Assets	52.95%

#### 6. Maturity pattern as on 31st March, 2024

Particulars	Amount in INR								
	Over 1 day to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Total Outflow (A)	1,571.40	1,204.43	1,072.11	3,189.65	5,045.88	4,951.23	1,922.14	3,862.24	22,819.08
Total Inflow (B)	4,206.90	1,221.91	1,064.71	3,260.80	6,473.57	6,472.32	-	118.87	22,819.08
Cumulative Mismatch	2,635.50	2,652.98	2,645.58	2,716.73	4,144.42	5,665.51	3,743.37	-	-

#### 7. Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board of Directors approved constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite approved by the Board. The main objective of ALCO is to assist the Board in effective discharge of the responsibilities of asset liability management. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in every quarter or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the Board of Directors in its next meeting for its perusal/ approval/ ratification.



Notes forming part of Restated Financial Statements

(Rs. in Lakhs, unless otherwise stated)

- 34 In the opinion of the Board, any of the assets other than Property, Plant & Equipment and Intangible assets have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated.
- 35 The Company has sent letters to vendors to confirm whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Out of the letter sent to the party, based on the confirmation received till the date of finalisation of balance sheet. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.
- 36 Company mainly operates in the segment i.e. Micro lending business activities, which has similar risks and returns for the purpose of reporting under AS-17 'Segment Reporting' issued by ICAI. The significant operations of the Company are within India and therefore there is no separate geographical segment which needs to be disclosed.
- 37 Disclosure in respect to Company's operating lease arrangements entered into by the company, under Accounting Standard (AS-19) "Leases" issued by the Institute of Chartered Accountant of India.

The year wise breakup of future minimum lease payments in respect of leased premises is as under:

Amount in INR

Premises taken on lease	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating lease payments recognized during the year	106.96	82.83	62.09
Not later than 1 year	-	-	-
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-

- 38 The difference if any, arising due to expenditure and income provided on estimate basis in earlier years is adjusted to respective account head.

- 39 The company has foreign currency exposure as below:

Amount in INR

Expenditure in Foreign Currency	31-Mar-2024	31-Mar-2023	31-Mar-2022
Director Sitting Fees	2.30	0.60	-
Software and Subscription Charges	0.87	0.75	-
Management Fees on ECB	15.17	-	-
Interest on ECB	33.11	-	-

Value of CIF	31-Mar-2024	31-Mar-2023	31-Mar-2022
Software	-	1.66	1.66

Income in Foreign Currency (excluding foreign exchange difference)	31-Mar-2024	31-Mar-2023	31-Mar-2022
Professional Income	3.88	-	-

40 Additional regulatory information :

- The Company does not hold any immovable property during the year
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- During the year the Company has not been sanctioned working capital limit in excess of Rs 5 crores on the basis of security of current assets, in aggregate, at any point of time during the year from banks and financial institutions.
- The Company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- The Company does not have any charges and satisfaction which is yet to be registered with ROC beyond the statutory period.

Significant ratios	31-Mar-2024	31-Mar-2023	%age Change	31-Mar-2022	%age Change	Remarks
Current ratio (in times)	1.34	1.36	-1.47%	1.39	-2.16%	
Debt-Equity Ratio (in times)	4.75	4.81	-1.25%	4.52	6.42%	
Debt-Service Coverage ratio	24.18%	21.29%	13.57%	17.92%	18.81%	
Return on Equity Ratio	15.51%	13.86%	11.90%	0.46%	2913.04%	Note 1
Inventory turnover ratio	NA	NA	NA	NA	NA	
Trade Receivables turnover ratio	28.16	28.41	-0.88%	18.62	52.58%	Note 2
Trade payables turnover ratio	19.80	24.95	-20.63%	10.29	142.42%	Note 3
Net capital turnover ratio,	1.41	1.31	7.63%	1.20	9.17%	
Net profit ratio	10.14%	9.76%	3.89%	0.45%	2068.89%	Note 4
Return on Capital employed	13.69%	11.62%	17.81%	9.05%	28.40%	Note 5
Return on investment	14.43%	12.57%	14.80%	0.53%	2271.70%	Note 6

- Current Ratio
  - Debt Equity Ratio
  - Debt Service Coverage Ratio
  - Return on Equity Ratio
  - Trade Receivables turnover ratio
  - Trade payables turnover ratio
  - Net capital turnover ratio
  - Net Profit ratio
  - Return on Capital employed
  - Return on investment
- Current Assets/Current Liabilities  
Total Debt/ Shareholder Funds  
Earnings Available for Debt Service/ Debt Service  
Net Profits after taxes – Preference Dividend /Average Shareholder's Equity  
Revenue from operation - other operating revenue/Average Trade Receivable  
Other Expenses/Average Trade Payable  
Revenue from operation/Average working capital  
Net Profit/Total Revenue  
Earning before interest and taxes/ Capital Employed  
Profit after tax/Total Shareholder funds

**Notes forming part of Restated Financial Statements**

*(Rs. in Lakhs, unless otherwise stated)*

*Earning for debt service = Net profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Provisions and write off + Interest + other adjustments like loss on sale of assets etc.*

*Debt service = Interest & Lease Payments + Principal Repayments*

*Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability*

*Note 1: The company profit has increased due to increase in revenue from operations as well as increase in net interest margin, increase in operational efficiencies and recovery in NPA account.*

*Note 2: Receivables increase during the year due to increase in revenue from operations*

*Note 3: Payables increased during the year due to increase in expenses*

*Note 4: The company profit has increased due to increase in revenue from operations as well as increase in net interest margin, increase in operational efficiencies and recovery in NPA account.*

*Note 5: EBIT has increased significantly more in proportion to increase in capital employed and mainly due to increase in operational efficiency.*

*Note 6: PAT has increased significantly more in proportion to increase in capital employed and mainly due to increase in operational efficiency.*

**41** Previous year figures have been reclassified to confirm with this year's classification. Further, previous year's figures have been regrouped / rearranged wherever necessary.

**42** Note 1 to 41 form part of the Restated Statement of Assets and Liabilities as on 31st March 2024, 31st March 2023, 31st March 2022, the Restated Statement of Profit and loss and Restated Statement of Cash flows for the year ended on that date.

**for R Gopal & Associates**

Chartered Accountants

ICAI FRN: 000846C

For and on behalf of Board of Directors of

**Mitrata Inclusive Financial Services Ltd.**

**(Formerly Known as Mitrata Inclusive Financial Services Private Limited)**

Sd/-

**CA S. K. Agarwal**

M. No: 093209

Partner

Sd/-

**Aqueel Ahmed Khan**

Managing Director

DIN: 01069477

Sd/-

**Prabhakar Rawat**

Whole Time Director

DIN: 08058695

Sd/-

**Shalu Gupta**

Company Secretary and Compliance Officer

M.No. A58123

Sd/-

**Sumit Mittal**

Chief Financial Officer

**Gurugram | August 5, 2024**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion of our financial condition and results of operations together with the Restated Financial Statements as of and for the Fiscals 2024, 2023 and 2022 including the notes and significant accounting principles thereto and the report thereon, which appear beginning on page 203 of this Draft Red Herring Prospectus. Our Restated Financial Statements differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind GAAP. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition. Our fiscal year ends on March 31 of each year, so all references to a particular Fiscal or fiscal year are to the twelve-month period ended March 31 of that year.*

*The following discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the chapter titled "Risk Factors" and "Forward Looking statements" on page 31 and 20, respectively of this Draft Red Herring Prospectus and elsewhere in the Prospectus.*

*Some of the information contained in this chapter, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled "Forward-Looking Statements" beginning on page 20 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the chapter titled "Risk Factors" and "Business Overview" beginning on pages 31 and 140, respectively, of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise stated, references to "the Company", "our Company", "we", "us", and "our" are to Mitrata Inclusive Financial Services Limited.*

### **Overview**

Our Company was originally incorporated as a private limited company in the name and style of **"Sona Finance Private Limited"** under the provisions of the Companies Act, 1956 vide certificate of incorporation dated May 13, 1985 issued by Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to **"Mitrata Inclusive Financial Services Private Limited"** pursuant to the special resolution passed by the Shareholders of our Company at the extra-ordinary general meeting held on October 23, 2018. The Registrar of Companies, Delhi issued a fresh certificate of incorporation dated December 20, 2018, upon change of the name of the Company. Our Company was then converted from a private limited company to a public limited company, pursuant to a resolution passed in the Extraordinary General Meeting of our members held on February 09, 2024, and consequently, the name of our Company was changed to **"Mitrata Inclusive Financial Services Limited"**, and a fresh certificate of incorporation consequent upon conversion from a private company to the public company dated July 08, 2024, was issued by the Registrar of Companies, Delhi. The Corporate Identification Number of the Company is U74899DL1985PLC020900. For details of change in name and registered office of the Company, see **"History and Certain Corporate Matters"** on page 178.

### **SUMMARY OF BUSINESS**

We are a non-banking finance company ("NBFC") - microfinance institution ("MFI") providing credit facility to the marginalized, excluded and vulnerable groups for enterprise development and other essential needs. Mitrata, as the name suggests, embodies two core principles: Friendship and Inclusivity. Accordingly, as an MFI we offer microfinance loans with an aim of economic upliftment of the poor and marginalized across all religions, castes and communities. Mitrata implements activities to provide marginalized households with easy access to financial services including access to credit and insurance, mainly credit-linked insurance to our borrowers. As our core principle of inclusiveness, our product offerings comprise of lending to rural women on a "joint liability group" ("JLG") model, individual loan to underserved micro and small entrepreneurs and WASH loan.

For Fiscal 2024, Fiscal 2023 and Fiscal 2022, our revenue from operations was ₹ 5,348.27 Lakhs, ₹ 4,151.76 Lakhs and ₹ 3,145.07 Lakhs, respectively, and our profit after tax for the year was ₹ 550.09 Lakhs, ₹ 412.65 Lakhs and ₹ 11.79 Lakhs, respectively. Our EBITDA in Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 3,020.68 Lakhs, ₹ 2,239.58 Lakhs and ₹ 1,355.91 Lakhs, respectively.

### ***Principal Factors affecting our Results of Operations:***

Except as otherwise stated in this Draft Red Herring Prospectus and the “Risk Factors” on page 31 in the Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

### **Significant Accounting Policies**

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure V of Restated Financial Statements under chapter titled “***Restated Financial Statements***” beginning on page 203 of this Draft Red Herring Prospectus.

### **Corporate Information**

Mitrata Inclusive Financial Services Pvt. Ltd. (Herein after referred as 'the Company') has been registered as Non-Banking Finance Company (NBFC-MFI) with effect from 18th April, 2018 by Reserve Bank of India and engaged in the business of providing micro credit services to women organized in groups with a view to enhance their income generation capabilities in the states of Madhya Pradesh, Bihar, Uttar Pradesh, Haryana and Rajasthan in India.

## **1. Significant Accounting Policies**

### **2.1 Basis of preparation of financial statements:**

The Restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2024, 31 March 2023, 2022, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the period/ years ended 31 March 2024, 31 March 2023, 2022, and the annexures thereto (herein collectively referred to as 'Restated Financial Information') have been compiled by the management of the Company from the then audited financial statements of the Company for the period/ years ended 31 March 2024, 31 March 2023, 31 March 2022, and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of a nationwide stock exchange.

These aforementioned audited financial statements were prepared under the historical cost convention following the going concern concept and on accrual basis of accounting, in conformity with the accounting principles generally accepted in India and comply with the accounting standard referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and the Reserve Bank of India (RBI) guidelines to the extent applicable to Non Systemically important Non-Deposit taking NBFC-MFI.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The aforementioned Restated Financial Information have been prepared in Indian Rupee (INR)

### **2.2 Use of Estimates:**

The preparation of Financial Statements with GAAP requires management to makes judgements, estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

### **2.3 Revenue recognition:**

2.3.1 Revenue from Interest on loans financed by the Company is recognized on accrual basis except in the case of Non-Performing Assets (“NPAs”), where interest is recognized upon realization, in accordance of RBI guidelines.

2.3.2 Revenue from loan processing fees accounted upfront as and when it becomes due.

2.3.3 Revenue from interest income on fixed deposits with banks and cash collateral is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

2.3.4 Profit / Loss on Investment is booked on disposal of investment.

2.3.5. Income from business correspondent (managed portfolio) activity is recognized on accrual basis as per the agreed terms and conditions of the arrangement/contract.

2.3.6 Excess interest spread on securitization/direct assignment represents income on securitized/assigned is accounted in accordance with the relevant guidelines issued by RBI. The losses arising are recognized in the Statement of Profit and Loss immediately upon receipt of sale consideration and the gains arising from the transaction are amortized over the tenor of transaction. Interest retained under assignment of loan receivable is recognized on realization basis over the life of the underlying loan portfolio.

2.3.7 Insurance claim received on cash basis

2.3.8 All other Income including fees and commission are recognized on accrual basis, when there is no uncertainty as to its ultimate realization/collection

## 2.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.5 Property, Plant & Equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses directly related to such acquisition and installation. All assets are owned by the company. Depreciation on Property, Plant & Equipment has been provided on written down value method on useful life of the assets which is estimated by the management and in the manner prescribed in Schedule II, Part-C to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each year end.

Subsequent expenditures related to an item of Property, Plant & Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Property, Plant & Equipment under construction and Property, Plant & Equipment acquired but not ready or put for their intended use are disclosed as capital work-in-progress.

Gains or losses arising from de-recognition of Property, Plant & Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Name of assets	Useful life of asset
Furniture and Fixtures	10 Years
Computers	3 Years
Office Equipment's	5 Years

## Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Software expenditure is amortized over a period of 3 years on straight line method. Gains or losses arising from de-recognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## 2.6 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investment. Current investments are carried at lower of cost and fair/market value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

## 2.7 Asset classification and provisioning norms:

Loan asset classification of the company is given in the below table:

Sr. No.	Particulars	Criteria
1	Standard Assets	The asset in respect of which, no default in repayment of principle or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

2	Non-Performing Asset	An asset for which, interest/ principle payment has remained overdue for a period of more than 90 days.
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### **Provision for own loan portfolio:**

Provision for loan portfolio has been made in accordance with the provisioning requirements for NBFC-MFI issued by the RBI vide circular no. DNBR.(PD) CC. No. 008/03.10.119/2016-17 dated September 1, 2016 (as amended) and Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions 2023 dated October 19, 2023, which require 0.25 % of Standard Portfolio and the minimum provision for qualifying portfolio to be higher of (i) 1% of the outstanding loan portfolio or (ii) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalment which are overdue for more than 180 days or more.

### **Loan write off**

#### **Under the following circumstances, loans are written off:**

- The accounts, balances of which are to be written off must have been classified in as 365+ days bucket.
- There is no recovery in accounts for 6-month post 365 days bucket
- Business Head has confirmed about non-possibility of recovery in the account. • The exercise of writing off of the balance is carried out in consultation with the Accounts & Operations Department at Head Office and the aggregate amount to be written off be finalized.
- Under extra-ordinary circumstances such as the death of a customer who has not received life coverage or his/her spouse and/or any other incident where in the opinion of the management, the loan amount is not recoverable.
- Where the balance outstanding at the time of closure of the loan is insignificant and in the opinion of the management, the cost of collection is not economically viable.
- All loss assets as identified in terms of the Master Directions of RBI.

### **Restructuring**

Restructured portfolio has been classified as standard, sub-standard and doubtful as per the regulatory requirement and income also recognized on such portfolio accordingly.

### **2.8 Loss on Managed portfolio**

The company recognize loss on managed portfolio on actual encashment of FLDG; otherwise provision made to the extent of percentage of FLDG given on portfolio/overdue loss assets, as applicable.

### **2.9 Foreign currency transaction**

Initial Recognition: Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion: Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

Exchange Difference: Exchange differences arising on the settlement of monetary items, or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### **2.10 Employee Benefits**

#### **Short term benefits**

Short term benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related services, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

#### **Defined contribution plan**

Provident Fund and Employee State Insurance is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred.

## **Defined benefit plan**

Gratuity Liability is a defined obligation. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.

Unavailed Leave Liability is a defined obligation. The company accounts for liability for future benefits based on actuarial valuation as at the Balance Sheet date.

## **2.11 Borrowings costs**

Borrowing costs which are directly attributable to the acquisition/construction of Qualifying Assets, till the time such assets are ready for intended use, are capitalized.

Borrowings costs includes interests which are recognized on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Processing fees and Ancillary borrowing cost incurred for arrangement of borrowings from banks and financial institutions are charged off up-front to the statement of profit and loss.

## **2.12 Earnings per share**

Basic earnings per share computed by dividing net profit after tax attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of diluted earnings per share net profit after tax attributable to equity shareholders and weighted average number of equity shares outstanding during the year are adjusted for the effect of all dilutive potential equity equivalent shares outstanding during the year.

## **2.13 Taxes on income**

Provision of Current Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

The company has provided for deferred tax charge/credit that reflects the tax differences because of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates laid down by the law, that has been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legal enforceable right for such set off. Deferred Tax Assets are reviewed at each balance sheet date for their reliability.

## **2.14 Impairment of asset**

Wherever events or changes in circumstances indicate that the carrying value of assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the company recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale.

## **2.15 Provisions, contingent liabilities & contingent assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to the financial statements and notes thereto. Contingent Assets are neither recognized nor disclosed in the financial statements.

Further, the company being a NBFC-MFI also complies with the guidelines issued by the Reserve Bank of India regarding the various provisioning norms

## **2.16 Current and Non-Current Classification**

All assets and liabilities are classified into current and non-current.

### **Assets**

An asset is classified as current when it satisfies any of following criteria:

- i. it is expected to be realized in, or is intended for sale in the Company's normal operating cycle;
- ii. it is expected to be realized within 12 months after the reporting date; or
- iii. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

## Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of operations and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months

## 2.17 Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payment made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease period unless another systematic basis is more representative of the pattern of the benefit.

## 2.18 Cash flow statement

Cash flow are reported using indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated.

## 2.19 Capital issue expenditure

Capital issue expenses are adjusted from securities premium.

## 2.20 Other accounting policies:

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

## KEY PERFORMANCE INDICATORS OF OUR COMPANY

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loan portfolio (₹ in Lakhs) <sup>(1)</sup>	17,573.81	17,171.93	13,363.37
Period-on-period growth in gross loan portfolio (%)	2.34%	28.50%	NA
Disbursements (₹ in Lakhs) <sup>(2)</sup>	15,303.34	15,943.36	12,120.28
Average disbursements per branch (₹ in Lakhs) <sup>(3)</sup>	215.54	284.70	247.35
Number of branches	71	56	49
Average gross loan portfolio per branch (₹ in Lakhs) <sup>(4)</sup>	247.52	306.64	272.72
Average disbursements per employee (₹ in Lakhs) <sup>(5)</sup>	25.42	31.26	25.84
Period-on-period growth in disbursements (%)	(4.01%)	31.54%	NA
Number of loans disbursed (Lakhs) <sup>(6)</sup>	0.41	0.45	0.36
New customers (Lakhs) <sup>(7)</sup>	0.28	0.31	0.24
Active Customers (Lakhs) <sup>(8)</sup>	0.76	0.68	0.62
Overall digital collections (%) <sup>(9)</sup>	12.72%	9.41%	2.39%
Revenue from operations (₹ in Lakhs) <sup>(10)</sup>	5,348.27	4,151.76	3,145.07
Net interest income (₹ in Lakhs) <sup>(11)</sup>	2,011.49	1,278.11	687.11
Pre-provision operating profit (₹ in Lakhs) <sup>(12)</sup>	919.96	659.74	382.48
Net profit for the period / year (₹ in Lakhs) <sup>(13)</sup>	550.09	412.65	11.79
Net interest margin (%) <sup>(14)</sup>	11.22%	8.96%	8.06%
Cost to income ratio (%) <sup>(15)</sup>	72.59%	76.54%	81.46%
Operating expense to average total assets ratio (%) <sup>(16)</sup>	10.50%	10.80%	11.38%
Provisions and write offs to average total assets (%) <sup>(17)</sup>	0.78%	0.50%	2.56%
Debt to equity ratio <sup>(18)</sup>	4.75	4.81	4.52



Gross NPA ratio (%) <sup>(19)</sup>	1.21%	1.07%	3.56%
Net NPA ratio (%) <sup>(20)</sup>	0.18%	0.00%	0.36%
Capital to risk (weighted) assets ratio (“CRAR”) (%) <sup>(21)</sup>	20.41%	17.27%	18.28%
CRAR – Tier I (%) <sup>(22)</sup>	19.21%	17.04%	17.99%
Net worth (₹ lakhs) <sup>(23)</sup>	3,812.25	3,282.87	2,670.02
Average yield on portfolio (%) <sup>(24)</sup>	24.83%	21.41%	20.57%
Average effective cost of borrowings (%) <sup>(25)</sup>	13.61%	12.45%	12.51%
Provision coverage ratio (%) <sup>(26)</sup>	84.94%	100.00%	89.77%
Return on average total assets (%) <sup>(27)</sup>	2.58%	2.34%	0.08%
Return on average equity (%) <sup>(28)</sup>	15.51%	13.86%	0.46%
Total number of insurance premium collected (Lakhs) <sup>(29)</sup>	1.11	1.15	0.96
Insurance premium collected (₹ in Lakhs) <sup>(30)</sup>	536.23	512.37	402.30

\*As certified by the Statutory Auditor, R Gopal & Associates, Chartered Accountants by their certificate dated September 02, 2024.

Notes-

- (1) Gross loan portfolio is defined as the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of assignment and our portion outstanding as of the last day of the relevant year.
- (2) Disbursements is defined as the total amount disbursed to customers in the relevant year, pursuant to loans sanctioned.
- (3) Average disbursements per branch is defined as the aggregate of all loan amounts extended to all our customers in relevant and per branch for the relevant year.
- (4) Average gross loan portfolio per branch is defined as the ratio of total gross outstanding loan portfolio to number of branches for the relevant year.
- (5) Average disbursements per employee is defined as the total amount disbursed to customers in the relevant year per employee, pursuant to loans sanctioned.
- (6) Number of loans disbursed is defined as the total number of loans disbursed to customers during the relevant year.
- (7) New customers is defined as customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.
- (8) Active Customers is defined as customers which had an active loan account (all customers loan balance outstanding) as of the last day of the relevant period.
- (9) Overall digital collections percentage is defined as the amount recovered from our customers through digital payment methods as compared to total collections during the relevant period.
- (10) Revenue from operations is defined as our total revenue from operations as per our Restated Financial Information for the relevant period.
- (11) Net interest income is defined as our interest income on loans and advances and loan processing fees reduced by finance costs as per our Restated Financial Statements for the relevant period.
- (12) Pre-Provision Operating Profit represents difference of total income minus interest expended minus operating expenses for the relevant fiscal year except provision and depreciation.
- (13) Net profit for the period / year is defined as the profit for the year (after tax) as per our Restated Financial Information for the relevant year.
- (14) Net interest margin is defined as the ratio of our net interest income to our average annual gross loan portfolio on-book. Our average annual gross outstanding loan portfolio is the simple annual average of our gross outstanding loan portfolio for the relevant year/period.
- (15) Cost to income ratio is defined as the ratio of operating expenses (total expenses excluding finance costs, provision and depreciation divided by revenue from operation total operating income (total income less finance costs).
- (16) Operating expense to average total assets ratio is defined as the ratio of operating expense to average total assets for the relevant year.
- (17) Provisions and write-offs to average total assets ratio is defined as the ratio calculated by dividing the total amount of provisions made for potential loan losses and loan write-offs charged to profit or loss(i.e impairment of financial instruments and net loss on fair value changes) during a specific year by the average total assets over the same year.
- (18) Debt to equity ratio is defined as the ratio of our total borrowings to our total equity attributable to shareholders as of the last day of the relevant year derived from our Restated Financial Information.
- (19) Gross NPA ratio is defined as the ratio of our Stage III assets to total outstanding loan portfolio as of the relevant year. Total outstanding loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant year, gross of Provisions.
- (20) Net NPA ratio is defined as the ratio of our Net NPA (Stage III assets less Provisions) to Outstanding Loan Portfolio as of the relevant year. Net Outstanding Loan Portfolio represents the total outstanding loan portfolio as of the last day of the relevant year.
- (21) CRAR is defined as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).

- (22) *CRAR –Tier 1 is defined as the ratio of Tier 1 Capital to total risk weighted assets. Tier I Capital means Owned Fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15 per cent of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year. Owned fund means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.*
- (23) *Net worth is defined as our net worth as of the last date of the relevant period as per our Restated Financial Information.*
- (24) *Average yield on portfolio is defined as the ratio of total interest income on loans and advances to average of Net loan portfolio on book for the relevant year.*
- (25) *Average effective cost of borrowings is defined as the ratio of borrowing cost incurred by the company for the relevant financial year to the average of borrowings of the company for the relevant year.*
- (26) *Provision Coverage Ratio represents difference of GNPA and NNPA divided by GNPA as of the last day of the relevant year.*
- (27) *Return on average total assets is defined as the profit for the relevant year derived from our Restated Financial Information as a percentage of annual average total assets for such year.*
- (28) *Return on average equity is defined as the ratio of profit for the relevant year/ period to our annual average of net worth for the relevant year.*
- (29) *Total number of insurance premium collected is defined as the overall count of insurance premiums received from diverse customers in relation to their loan disbursements for the relevant year.*
- (30) *Insurance premium collected is defined as the overall sum of insurance premiums received from diverse customers in relation to their loan disbursements for the relevant year.*

### **Overview of Revenue and Expenditure**

The following descriptions set forth information with respect to key components of our income statement.

#### **Revenue**

##### **Revenue from operations**

Revenue from operations comprises income from:

Interest income on loan portfolio, Loan processing fees, Income on securitization/assignment, Income of managed portfolio and Other Operating Income (Fee and commission income and Interest on fixed deposits and cash collateral).

##### **Other income**

Interest on fixed deposits, Profit on Sale of units of Liquid funds and Miscellaneous Income.

#### **Expenditure**

Our expenditure comprises the following:

1. Employee benefit expenses: Salary, allowances and bonus, Gratuity, Contribution to PF & ESI, Staff development & training expense and Staff welfare expense.
2. Finance costs: Interest paid on loans, Interest paid on overdraft, Interest paid on debentures and Ancillary Borrowing cost.
3. Provision and write off: Provision for loan portfolio, Provision for loan portfolio on sub-standard asset, Loss/Provision on managed portfolio (net of recoveries), Provision on restructured portfolio and Loan Portfolio written off (net of recoveries).
4. Depreciation and amortization expenses: Depreciation and amortization expenses comprises depreciation of tangible assets including our furniture and fixtures, computer and office equipment.
5. Other expenses: Other expenses comprise primarily of business travelling and conveyance expense, professional charges including payment to auditors, director sitting fees, cash management charges, corporate social responsibility, office rent, loss on assets discarded, electricity expense, internet / telephone, printing & stationery, postage & courier charges, repair and maintenance, fees and subscription, insurance charges, rates & taxes, cash embezzlement by field staff and misc. expenses.

### Results of Operations

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated, for our operations for Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(₹ in Lakhs)

Particulars	For the financial year ended March 31,					
	2024		2023		2022	
	Amount	% of Total Income	Amount	% Total Income	Amount	% of Total Income
Revenue from operations	5,348.27	98.61%	4151.76	98.18%	3145.07	98.67%
Other income	75.58	1.39%	76.98	1.82%	42.29	1.33%
<b>Total income</b>	<b>5423.85</b>	<b>100.00%</b>	<b>4228.74</b>	<b>100.00%</b>	<b>3187.36</b>	<b>100.00%</b>
<b>Expenses</b>						
Employee benefit expense	1741.33	32.11%	1489.67	35.23%	1185.66	37.20%
Finance Costs	2267.64	41.81%	1667.22	39.43%	1309.74	41.09%
Provisions and Write Off	166.92	3.08%	87.38	2.07%	336.31	10.55%
Depreciation and Amortization Expense	36.73	0.68%	34.75	0.82%	36.63	1.15%
Other Expenses	494.92	9.12%	412.11	9.75%	309.48	9.71%
<b>Total expenses</b>	<b>4,707.54</b>	<b>86.80%</b>	<b>3,691.13</b>	<b>87.29%</b>	<b>3,177.82</b>	<b>99.70%</b>
Profit before tax	716.31	13.21%	537.61	12.71%	9.54	0.30%
<b>Tax expenses</b>						
Current tax	191.53	3.53%	98.88	2.34%	71.98	2.26%
Deferred tax	(25.31)	0.00%	26.08	0.62%	(74.23)	-
current tax of earlier years	-	-	-	-	-	-
<b>Total tax expenses</b>	<b>166.22</b>	<b>3.06%</b>	<b>124.96</b>	<b>2.96%</b>	<b>(2.25)</b>	<b>2.26%</b>
<b>Profit for the year</b>	<b>550.09</b>	<b>10.14%</b>	<b>412.65</b>	<b>9.76%</b>	<b>11.79</b>	<b>0.37%</b>

### Financial Year 2024 compared to Financial Year 2023

(₹ in Lakhs)

Particulars	For the financial year ended March 31,		Change (%)
	2024	2023	
Income			
Revenue from operations	5,348.27	4151.76	28.82%
Other income	75.58	76.98	-1.82%
Total revenue	5423.85	4228.74	28.26%
Expenses			
Employee benefit expense	1741.33	1489.67	16.89%
Finance Costs	2267.64	1667.22	36.01%
Provisions and Write Off	166.92	87.38	91.03%
Depreciation and Amortization Expense	36.73	34.75	5.70%
Other Expenses	494.92	412.11	20.09%
Total expenses	4,707.54	3,691.13	27.54%
Profit before tax	716.31	537.61	33.24%
Tax expenses			
Current tax	191.53	98.88	93.70%
Deferred tax	(25.31)	26.08	-197.05%
Current tax of earlier years	-	-	-
Total tax expenses	166.22	124.96	33.02%
Profit for the year	550.09	412.65	33.31%

**Total income**

Total income increased by ₹ 28.26 % from ₹ 4228.74 Lakhs for the Financial Year 2023 to ₹ 5423.85 Lakhs for the Financial Year 2024 primarily due to increase in revenue from operations.

**Revenue from operations**

Revenue from operations increased by 28.82 % from ₹ 4151.76 Lakhs for the Financial Year 2023 to ₹ 5348.27 Lakhs for the Financial Year 2024 mainly due to an increase in revenue from Interest income on loan portfolio and loan processing fees, which was mainly attributable to increase in total loan portfolio from ₹ 17171.93 Lakhs in Fiscal 2023 to ₹ 17573.81 Lakhs in Fiscal 2024 and also due to increase in average yield in the loan portfolio from 21.41% in Fiscal 2023 to 24.83 % in Fiscal 2024. Further, the increase in revenue from operations is also attributable to increase in loan processing fees from ₹ 179.57 Lakhs in Fiscal 2023 to ₹ 229.59 Lakhs in Fiscal 2024. The increase in loan processing fees is attributable to increase in loan processing fees from 1.00% to 1.50%. The increase in revenue from operations is also attributable to increase in fee and commission income from ₹ 213.46 Lakhs in Fiscal 2023 to ₹ 331.96 Lakhs in Fiscal 2024, primarily due to more cross selling of non-loan products. This was partially offset by reduction in income of manage portfolio from ₹ 857.02 Lakhs in Fiscal 2023 to ₹ 606.02 Lakhs in Fiscal 2024.

**Other Income**

Other Income includes Interest on fixed deposits, Profit on Sale of units of Liquid funds and Miscellaneous Income. Other income decreased by 1.82% from ₹ 76.98 Lakhs in Fiscal 2023 to ₹ 75.58 Lakhs in Fiscal 2024. Such decrease in other income was primarily due to reduction in interest income on Fixed Deposits. The reduction in interest of fixed deposits was partially offset by increase in Profit on Sale of units of Liquid funds.

**Total expenses.**

Total expenses increased by 27.54% from ₹ 3691.13 Lakhs for the Financial Year 2023 to ₹ 4707.54 Lakhs for the Financial Year 2024.

**Employee Benefits Expense**

Our employee benefits expense increased by 16.89% from ₹ 1489.67 Lakhs in Fiscal 2023 to ₹ 1741.33 Lakhs in Fiscal 2024 primarily due to increase in salary, allowances and bonus, Gratuity and contribution to PF & ESI and increase in headcount from 510 in Fiscal 2023 to 602 in Fiscal 2024.

**Finance Costs**

Our finance costs increased by 36.01% from ₹ 1667.22 Lakhs in Fiscal 2023 to ₹ 2267.64 Lakhs in Fiscal 2024, due to increase in Interest paid on loans, interest paid on debentures and ancillary borrowing cost. This is also in line with increase in Revenue from Operation. The increase is attributable to increase in amount of loan outstanding by ₹ 2301.88 Lakhs, as on March 31, 2024 as the Company has availed loan of ₹ 12684.75 Lakhs during the Fiscal 2024. Additionally, the average interest cost on borrowing increased from 12.45% in Fiscal 2023 to 13.61% in Fiscal 2024.

**Provision and Write off**

The increase in expenses is also due to increase in provision and write off during Fiscal 2024 of ₹ 166.92 Lakhs against ₹ 87.38 Lakhs during Fiscal 2023. The increase in provision and write off is primarily due to change provisioning requirement by regulator and provision made for loss on business correspondence portfolio.

**Depreciation and Amortization Expenses**

Our depreciation and amortization expense increased from ₹ 34.75 Lakhs in Fiscal 2023 to ₹ 36.73 Lakhs in Fiscal 2024, primarily due to additions made in furniture and fixture by ₹ 10.39 Lakhs, computer by ₹ 25.48 Lakhs and office equipment by ₹ 16.63 Lakhs during the Fiscal 2024.

**Other expenses**

Our other expenses mainly include travelling and conveyance expense, professional charges including payment to auditors, director sitting fees, cash management charges, corporate social responsibility, office rent, loss on assets discarded, electricity expense, internet / telephone, printing & stationery, postage & courier charges, repair and maintenance, fees and subscription, insurance charges, rates & taxes, cash embezzlement by field staff and misc. expenses. Other expenses increased by 20.09 % from ₹ 412.11 Lakhs in Fiscal 2023 to ₹ 494.92 Lakhs in Fiscal 2024. The detail of other expenses are set herein below: -

(₹ in Lakhs)

Particulars	For the financial year ended on March 31, 2024	For the financial year ended on March 31, 2023	Change (%)
Travelling and Conveyance expense	30.24	40.99	-26.23%
Professional charges including Payment to Auditors	74.12	53.12	39.53%
Director Sitting fees	6.50	5.60	16.07%
Cash management charges	42.30	29.79	41.99%
Corporate Social Responsibility	4.37	0.00	-
Office Rent	106.96	82.83	29.13%
Loss on assets discarded	0.00	0.17	-100.00%
Electricity expense	14.77	9.85	49.95%
Internet / Telephone	23.44	20.50	14.34%
Printing & Stationery	15.30	13.70	11.68%
Postage & courier charges	4.17	2.81	48.40%
Repair and Maintenance	39.86	23.58	69.04%
Fees and Subscription	58.70	50.02	17.35%
Insurance charges	15.88	14.84	7.01%
Rates & Taxes	49.50	38.61	28.21%
Cash embezzlement by field staff	4.73	16.24	-70.87%
Misc expenses	4.08	9.46	-56.87%

The increase in other expenses is primarily attributable to increase in office rent, electricity expenses, repairs & maintenance and cash management charges which is due to increase in number of branches from 56 in Fiscal 2023 to 71 in Fiscal 2024.

#### ***Profit before Extraordinary Items and tax***

As a result of the foregoing, we recorded an increase of 33.24% in our profit before extraordinary items and tax, which amounted to ₹ 716.31 Lakhs in Fiscal 2024, as compared to ₹ 537.61 Lakhs in Fiscal 2023.

#### ***Tax expenses***

Our tax expenses (current, deferred and Short /(Excess) provision for income tax of earlier year) increased from ₹ 124.96 Lakhs in Fiscal 2023 to ₹ 166.22 Lakhs in Fiscal 2024. This was primarily due to an increase in income tax paid for current year's profit.

#### ***Restated Profit for the period***

As a result of the foregoing, we recorded an increase of 33.31% in our profit for the year from ₹ 412.65 Lakhs in Fiscal 2023 to ₹ 550.09 Lakhs in Fiscal 2024. PAT was 10.14% & 9.76% of total income of our Company for the year ended on March 31, 2024 & March 31, 2023 respectively.

#### ***Financial Year 2023 compared to Financial Year 2022***

(₹ in Lakhs)

Particulars	For the financial year ended March 31,		Change (%)
	2023	2022	
<b>Income</b>			
Revenue from operations	4151.76	3145.07	32.01%
Other income	76.98	42.29	82.03%
<b>Total income</b>	<b>4228.74</b>	<b>3187.36</b>	<b>32.67%</b>
<b>Expenses</b>			
Employee benefit expense	1489.67	1185.66	25.64%
Finance Costs	1667.22	1309.74	27.29%
Provisions and Write Off	87.38	336.31	74.02%

Depreciation and Amortization Expense	34.75	36.63	5.13%
Other Expenses	412.11	309.48	33.16%
<b>Total expenses</b>	<b>3,691.13</b>	<b>3,177.82</b>	<b>16.15%</b>
<b>Profit before tax</b>	<b>537.61</b>	<b>9.54</b>	<b>55.35%</b>
<b>Tax expenses</b>			
Current tax	98.88	71.98	37.37%
Deferred tax	26.08	(74.23)	135.37%
Current tax of earlier years	-	-	
<b>Total tax expenses</b>	<b>124.96</b>	<b>(2.25)</b>	<b>56.54%</b>
<b>Profit for the year</b>	<b>412.65</b>	<b>11.79</b>	<b>34.00%</b>

#### ***Total income***

Total income increased by 32.67 % from ₹ 3187.36 Lakhs for the Financial Year 2022 to ₹ 4228.74 Lakhs for the Financial Year 2023 primarily due to increase in revenue from operations.

#### ***Revenue from operations***

Revenue from operations increased by 32.01 % from ₹ 3145.07 Lakhs for the Financial Year 2022 to ₹ 4151.76 Lakhs for the Financial Year 2023 mainly due to an increase in revenue from Interest income on loan portfolio and loan processing fees, which was mainly attributable to increase in total loan portfolio from ₹ 13363.37 Lakhs in Fiscal 2022 to ₹ 17171.93 Lakhs in Fiscal 2023 and also due to increase in average yield in the loan portfolio from 20.57% in Fiscal 2022 to 21.41 % in Fiscal 2023. Further, the increase in revenue from operations is also attributable to increase in loan processing fees from ₹ 122.20 Lakhs in Fiscal 2022 to ₹ 179.57 Lakhs in Fiscal 2023. The increase in loan processing fees is attributable to number of loans disbursed during the Fiscal. For instance, the amount of loan disbursed in Fiscal 2022 was ₹ 12120.28 Lakhs while in Fiscal 2023 the amount was ₹ 15943.36 Lakhs. The increase in revenue from operations is also attributable to increase in fee and commission income from ₹ 210.01 Lakhs in Fiscal 2022 to ₹ 213.46 Lakhs in Fiscal 2023, primarily due to more cross selling of non-loan products.

#### ***Other Income***

Other Income includes Interest on fixed deposits, Profit on Sale of units of Liquid funds and Miscellaneous Income. Other income increased by 82.03% from ₹ 42.29 Lakhs in Fiscal 2022 to ₹ 76.98 Lakhs in Fiscal 2023. Such increase in other income was primarily due to increase in interest income on Fixed Deposits and increase in Profit on Sale of units of Liquid funds.

#### ***Total expenses.***

Total expenses increased by 16.15% from ₹ 3177.82 Lakhs for the Financial Year 2022 to ₹ 3691.13 Lakhs for the Financial Year 2023.

#### ***Employee Benefits Expense***

Our employee benefits expense increased by 25.64% from ₹ 1185.66 Lakhs in Fiscal 2022 to ₹ 1489.67 Lakhs in Fiscal 2023 primarily due to increase in salary, allowances and bonus, Gratuity and contribution to PF & ESI and increase in headcount from 469 in Fiscal 2022 to 510 in Fiscal 2023.

#### ***Finance Costs***

Our finance costs increased by 27.29% from ₹ 1309.74 Lakhs in Fiscal 2022 to ₹ 1667.22 Lakhs in Fiscal 2023, due to increase in Interest paid on loans and interest paid on debentures. This is in line with increase in Revenue from Operation. The increase is attributable to increase in amount of loan outstanding by ₹ 3726.16 Lakhs, as on March 31, 2023 as, the Company has also availed fresh loan of ₹ 12490.00 Lakhs during the Fiscal 2023. This was partially offset by reduction in ancillary borrowing cost from ₹ 173.94 Lakhs in Fiscal 2022 to ₹ 135.65 Lakhs in Fiscal 2023.

#### ***Provision and Write off***

The increase in expenses is also due to increase in provision and write off during Fiscal 2023 of ₹ 336.31 Lakhs against ₹ 87.38 Lakhs during Fiscal 2022. The increase in provision and write off is primarily due to increase in delinquency during covid 19 period.

### ***Depreciation and Amortization Expenses***

Our depreciation and amortization expense decreased from ₹ 36.63 Lakhs in Fiscal 2022 to ₹ 34.75 Lakhs in Fiscal 2023, primarily due to depreciation impact on computers during Fiscal 2022.

### ***Other expenses***

Our other expenses mainly include travelling and conveyance expense, professional charges including payment to auditors, director sitting fees, cash management charges, corporate social responsibility, office rent, loss on assets discarded, electricity expense, internet / telephone, printing & stationery, postage & courier charges, repair and maintenance, fees and subscription, insurance charges, rates & taxes, cash embezzlement by field staff and misc. expenses. Other expenses increased by 33.16% from ₹ 309.48 Lakhs in Fiscal 2022 to ₹ 412.11 Lakhs in Fiscal 2023. The detail of other expenses are set herein below: -

(₹ in Lakhs)

Particulars	For the financial year ended on March 31, 2023	For the financial year ended on March 31, 2022	Change (%)
Travelling and Conveyance expense	40.99	28.12	45.77%
Professional charges including Payment to Auditors	53.12	45.50	16.75%
Director Sitting fees	5.60	1.20	366.67%
Cash management charges	29.79	28.79	3.47%
Office Rent	82.83	62.09	33.40%
Loss on assets discarded	0.17	0.07	142.86%
Electricity expense	9.85	6.97	41.32%
Internet / Telephone	20.50	16.78	22.17%
Printing & Stationery	13.70	15.01	-8.73%
Postage & courier charges	2.81	2.94	-4.42%
Repair and Maintenance	23.58	18.15	29.92%
Fees and Subscription	50.02	29.49	69.62%
Insurance charges	14.84	9.83	50.97%
Rates & Taxes	38.61	32.45	18.98%
Cash embezzlement by field staff	16.24	4.13	293.22%
Misc expenses	9.46	7.96	18.84%

The overall increase in other expenses is primarily attributable to increase in number of branches from 49 in Fiscal 2022 to 56 in Fiscal 2023.

### ***Profit before Extraordinary Items and tax***

As a result of the foregoing, we recorded an increase of 55.35% in our profit before extraordinary items and tax, which amounted to ₹ 537.61 Lakhs in Fiscal 2023, as compared to ₹ 9.54 Lakhs in Fiscal 2022.

### ***Tax expenses***

Our tax expenses (current, deferred and Short /(Excess) provision for income tax of earlier year) increased from ₹ (2.25) Lakhs in Fiscal 2022 to ₹ 124.96 Lakhs in Fiscal 2023. This was primarily due to an increase in income tax paid for current year's profit.

### ***Restated Profit for the period***

As a result of the foregoing, we recorded an increase of 34.00% in our profit for the year from ₹ 11.79 Lakhs in Fiscal 2022 to ₹ 412.65 Lakhs in Fiscal 2023. PAT was 9.76 % & 0.37 % of total income of our Company for the year ended on March 31, 2023 & March 31, 2022 respectively.

## **CASH FLOWS**

The following table summarizes our cash flows for the Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in Lakhs)

Particulars	For the financial year ended March 31,		
	2024	2023	2022
Net Cash generated from Operating Activities	(469.71)	(3,641.64)	(5,039.89)
Net Cash from/ (Used in) Investing Activities	169.39	(45.52)	156.53
Net Cash from/ (Used in) Financing Activities	2,281.20	3,926.35	4,299.44
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,980.88</b>	<b>239.19</b>	<b>(583.92)</b>
Cash and Cash Equivalents at the beginning of the year	923.07	683.88	1,267.80
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,903.95</b>	<b>923.07</b>	<b>683.88</b>

### Cash flows generated from operating activities

Net cash outflow from operating activities in for the financial year ended March 31, 2024 was ₹ (469.71) Lakhs. Our operating profit before working capital changes was ₹ 773 Lakhs, which was primarily adjusted by increase in other current assets, short term loan and advances, other non-current assets, trade receivables, loan portfolio, trade payables, long term provision, short term provision and other current liabilities.

Net cash generated from operating activities in for the financial year ended March 31, 2023 was ₹ (3,641.64) Lakhs. Our operating profit before working capital changes was ₹ 375.74 Lakhs, which was primarily adjusted by increase in other current assets, short term loan and advances, other non-current assets, loan portfolio, long term provision, short term provision and other current liabilities and decrease in trade receivables and trade payables.

Net cash generated from operating activities in for the financial year ended March 31, 2022 was ₹ (5,039.89) Lakhs. Our operating profit before working capital changes was ₹ 299.49 Lakhs, which was primarily adjusted by increase in other current asset, trade receivables, loan portfolio, long term provision, short term provision and other current liabilities and decrease in other non-current assets and trade payables.

### Cash flows generated from / used in investing activities

Net cash generated from investing activities was ₹ 169.39 Lakhs in Fiscal 2024, which primarily comprised of Purchase of Property, Plant & Equipment ₹ 52.49 Lakhs, Sale of Property, Plant & Equipment of ₹ 0.31 Lakhs, Sale of mutual fund (net) of ₹ 55.34 Lakhs, Sale of Current Investment (net) of ₹ 69.26 Lakhs and Sale of Non-Current Investment (net) of ₹ 96.97 Lakhs.

Net cash used in investing activities was ₹ 45.52 Lakhs in Fiscal 2023, which primarily comprised of Purchase of Property, Plant & Equipment ₹ 31.59 Lakhs, Purchase of Intangible assets including under development of ₹ 1.88 Lakhs, sale of property, plant & equipment of ₹ 0.19 Lakhs, sale of mutual fund (net) of ₹ 43.59 Lakhs, Sale of Current Investment (net) of ₹ 41.14 Lakhs and Sale of Non-Current Investment (net) of ₹ 96.97 Lakhs.

Net cash generated from investing activities was ₹ 156.53 Lakhs in Fiscal 2022, which primarily comprised of Purchase of Property, Plant & Equipment ₹ 28.64 Lakhs, Purchase of Intangible assets including under development of ₹ 6.71 Lakhs, Sale of mutual fund (net) of ₹ 164.66 Lakhs and Sale of Current Investment (net) of ₹ 27.22 Lakhs.

### Cash flows generated from / (used in) financing activities

Net cash generated from financing activities in Fiscal 2024 amounted to ₹ 2,281.20 Lakhs, which predominantly comprised of proceeds from borrowings ₹ 12684.75 Lakhs, Fess/expenses for increase in Authorized Share Capital of ₹ 20.70 Lakhs, and repayment of borrowings of ₹ 10382.85 Lakhs.

Net cash generated from financing activities in Fiscal 2023 amounted to ₹ 3,926.35 Lakhs, which predominantly comprised of proceeds from issue of CCPS/Equity (including security premium) of ₹ 200.20 Lakhs, proceeds from borrowings of ₹ 12490 Lakhs and repayment of borrowings of ₹ 8763.85 Lakhs.

Net cash generated from financing activities in Fiscal 2022 amounted to ₹ 4299.44 Lakhs, which primarily comprised of Proceeds from issue of CCPS/Equity (including security premium) of ₹ 155.20 Lakhs, proceeds from borrowings of ₹ 11,500.13 Lakhs and repayment of borrowings of ₹ 7355.89 Lakhs.



## Capital Expenditure

Capital expenditures primarily comprised of purchase of furniture and fixtures, computers and office equipment's. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we incurred capital expenditure of ₹ 52.49 Lakhs, ₹ 31.59 Lakhs and ₹ 28.64 Lakhs, respectively.

## Contingent Liabilities

Our Company have contingent liabilities for the restated period as indicated in this Draft Red Herring Prospectus as following:

### a) Contingent liability in respect of preference shares

(₹ in Lakhs)

Particulars	As at March 31, 2024	As on March 31 2023	As on March 31, 2022
Dividend on Compulsory Convertible Preference Shares	68.46	68.46	68.46
<b>Total</b>	<b>68.46</b>	<b>68.46</b>	<b>68.46</b>

### b) Contingent liability in respect of business correspondence

The Company have managed portfolio under business correspondence arrangements with bank and NBFC. The total outstanding of such loans as on March 31, 2024 was ₹ 6187.93 Lakhs (March 31, 2023: ₹ 8597.15 Lakhs, March 31, 2022: ₹ 105.35 Lakhs). The performance security corresponding to such obligation/outstanding is ₹ 302.99 Lakhs (March 31, 2023: ₹ 429.86 Lakhs, March 31, 2022: ₹ 526.76 Lakhs) against which corresponding performance security deposit given of principal amounting to ₹ 642.26 Lakhs (March 31, 2023: ₹ 556.84 Lakhs, March 31, 2022: ₹ 556.84 Lakhs) as per the terms of the agreement. As on March 31, 2024 there was a portfolio of ₹ 406.56 Lakhs (March 31, 2023: ₹ 593.77 Lakhs, March 31, 2022: ₹ 175.97 Lakhs) which was in NPA.

### *Details of material developments after the date of last balance sheet i.e., March 31, 2024.*

After the date of last Balance sheet i.e., March 31, 2024, the following material events have occurred:

1. The Board of Directors of our Company has appointed Shalu Gupta, Company Secretary also as Compliance Officer in their meeting held on June 10, 2024;
2. The Board of Directors of our Company has appointed Dr. Aqueel Ahmed Khan as Managing Director and Prabhakar Rawat as Whole-Time Director in their meeting held on June 10, 2024;
3. Our Company was converted into public limited company vide a fresh certificate of incorporation dated July 08, 2024 issued by the Registrar of Companies, Delhi & Haryana;
4. The Board of Directors of our Company approved the Initial Public Offering of our Company in their meeting held on August 05, 2024;
5. The Board of Directors of our Company has appointed Achla Savyasachi as Additional Non-Executive Independent Director in their meeting held on August 05, 2024;
6. Our Company has constituted an IPO Committee ("IPO Committee"), vide Board Resolution dated August 05, 2024;
7. The Board of Directors of our Company approved sitting fees payable to the Non-Executive Independent Directors of the Company for attending the meetings or committee, in their meeting held on August 05, 2024;
8. The Shareholders of our Company approved the Initial Public Offering of our Company at the Extra-Ordinary General Meeting held on August 06, 2024;
9. The Shareholders of our Company approved regularization of Achla Savyasachi as Non-Executive Independent Director in the Extra-Ordinary General meeting held on August 06, 2024; and
10. The Shareholders of our Company approved borrowing powers of the board in the Extra-Ordinary General meeting held on August 06, 2024.

## AUDITOR OBSERVATIONS

There are no qualifications of the Statutory Auditor which have not been given effect to in the Restated Financial Statement. and also, in the Restated Financial Information.

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given here under:

**a) Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

**b) Significant economic changes that materially affected or are likely to affect income from continuing operations**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in *“Factors Affecting our Results of Operations”* and the uncertainties described in *“Risk Factors”* page 31 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

**c) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in *“Management’s Discussion and Analysis of Financial Position and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition”* and the uncertainties described in the chapter titled *“Risk Factors”* beginning on page 241 and 31 respectively of this Draft Red Herring Prospectus. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**d) Future changes in relationship between costs and revenues**

Other than as described in the chapter titled *“Risk Factors”*, *“Business Overview”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* on pages 31, 140 and 241 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**e) Status of any publicly announced New Products or Business Segment**

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

**f) Seasonality of business**

Our Company’s business is not seasonal in nature.

**g) Competitive conditions**

Competitive conditions are as described under the chapters titled *“Industry Overview”* and *“Business Overview”* beginning on pages 131 and 140 respectively of this Draft Red Herring Prospectus.

**h) Any significant dependence on a single or few customers and suppliers.**

We serve a large number of customers and hence we are not dependent on a single or few customers.

## FINANCIAL INDEBTEDNESS

We have availed loans and financing facilities in the ordinary course of business, primarily for onward lending to the borrowers of our Company and to meet its business requirements. For undertaking necessary activities in relation to the Offer, we have obtained the necessary consents from, and provided intimations to, the requisite lenders in terms of the relevant documentation governing their borrowings.

For details regarding the borrowing powers of our Board, please see **“Our Management – Borrowing powers of the Board”** on page 185

Set forth below is a brief summary of all the borrowings of our Company as on March 31, 2024 together with a brief description of certain significant terms of such financing arrangements.

Nature of Borrowings	Sanctioned amount as on March 31, 2024 (₹ in Lakhs) *	Outstanding amount as on March 31, 2024 (₹ in Lakhs) *
<b>Fund Based facilities</b>		
<b>Secured borrowings</b>		
Term Loans – Banks and NBFC	29,115.00	15,515.24
Term Loans – Financial Institution	1,800.00	200.00
External Commercial Borrowing (ECB)	1,359.75	1,359.75
Non-Convertible Debentures (NCD)	1,800.00	775.00
<b>Unsecured borrowings</b>		
Subordinate Debt - Private Entities	150.00	150.00
Subordinate Debt from Director’s Relative	100.00	100.00
<b>TOTAL</b>	<b>34,324.75</b>	<b>18,099.99</b>

\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

### Secured Loans: -

Sr. No.	Category of borrowing	Name of Lender	Sanctioned Amount as on (₹ in Lakhs)	Sanction date	Outstanding amount (₹ in Lakhs) as on March 31, 2024	Rate of Interest	Tenure	Security Terms	Guarantee Terms
1.	Term Loan	Vivriti Capital Limited	500.00	October 27, 2022	145.83	15.80 %*	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
2.	Term Loan	Vivriti Capital Limited	500.00	March 21, 2023	270.83	15.75 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
3.	Term Loan	Friends of WWB, India	100.00	May 16, 2022	8.70	15.00 %	24	Book Debts 1.1 times	No
4.	Term Loan	Caspian Impact Investments Pvt. Ltd.	500.00	September 09, 2022	104.17	16.05 %*	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat

5.	Term Loan	Caspian Impact Investments Pvt. Ltd.	400.00	March 14, 2023	200.00	14.65 % *	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
6.	Term Loan	Jana Small Finance Bank	1,500.00	July 22, 2021	243.29	12.47 %	36	Book Debts 1 times	No
7.	Term Loan	Jana Small Finance Bank	1,200.00	September 19, 2022	383.87	13.50 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
8.	Term Loan	State Bank of India	2,500.00	September 14, 2021	241.76	11.00 % *	36	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
9.	Term Loan	Bank of Baroda	750.00	September 04, 2021	125.10	10.70 % *	36	Book Debts 1.1 times	No
10.	Term Loan	SIDBI	1,800.00	August 24, 2021	200.00	10.20 % *	36	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
11.	Term Loan	Bandhan Bank	590.00	March 24, 2023	365.24	13.50 %	24	Book Debts 1.1 times and CC 5%	No
12.	Term Loan	Indian Overseas Bank	1,000.00	September 30, 2021	283.34	10.70 % *	36	Book Debts 1.25 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
13.	Term Loan	Indian Overseas Bank	1,000.00	January 27, 2023	727.27	12.90 % *	36	Book Debts 1.25 times and CC 10%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
14.	Term Loan	Canara Bank	500.00	October 14, 2021	107.99	10.75 % *	36	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
15.	Term Loan	Maanaveya Development & Finance Pvt. Ltd.	500.00	March 11, 2023	250.04	14.75 %	24	Book Debts 1.1 times	No
16.	Term Loan	Incred Financial Services Limited	500.00	June 02, 2022	93.86	14.50 %	24	Book Debts 1.15 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat

17.	Term Loan	Nabsamrudhi Finance Limited	80.00	July 14, 2022	14.97	14.25 %	24	Book Debts 1.1 times and CC 2.5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
18.	Term Loan	Nabsamrudhi Finance Limited	120.00	July 14, 2022	22.45	14.25 %	24	Book Debts 1.1 times and CC 2.5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
19.	Term Loan	AU Small Finance Bank	1,000.00	July 19, 2022	238.10	15.60 %*	24	Book Debts 1.2 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
20.	Term Loan	Union Bank of India	1,000.00	September 12, 2022	515.15	11.45 %*	36	Book Debts 1.1 times and CC 10%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
21.	Term Loan	Electronica Finance Limited	200.00	September 30, 2022	64.54	14.25 %	24	Book Debts 1 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
22.	Term Loan	Electronica Finance Limited	300.00	March 18, 2023	173.50	14.85 %	24	Book Debts 1 times and CC 4.84%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
23.	Term Loan	Manappuram Finance Ltd.	1,000.00	December 20, 2022	409.35	14.65 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan
24.	Term Loan	RAR Fincare	100.00	February 26, 2023	68.99	15.50 %	36	Book Debts 1.15 times and CC 7%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
25.	Term Loan	Muthoot Microfin	300.00	March 02, 2023	150.00	16.00 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
26.	Term Loan	Usha Financial Services Limited	500.00	March 03, 2023	270.44	16.50 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
27.	Term Loan	Nabfins Limited	300.00	March 15, 2023	177.29	15.50 %	24	Book Debts 1.1 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
28.	Term Loan	Real Touch Finance Ltd	300.00	April 25, 2023	186.46	16.00 %	24	Book Debts 1.15 times	Guarantee of Dr. Aqueel Ahmed Khan

									and Prabhakar Rawat
29.	Term Loan	Blacksoil Capital Private Limited	700.00	April 27, 2023	291.67	15.85 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
30.	Term Loan	Friends of WWB, India	100.00	July 03, 2023	65.22	14.00 %	24	Book Debts 1.1 times	No
31.	Term Loan	Friends of WWB, India	100.00	July 03, 2023	65.22	15.50 %	24	Book Debts 1.1 times	No
32.	Term Loan	Nabsamrudhi Finance Limited	150.00	July 25, 2023	69.92	14.85 %	24	Book Debts 1.1 times and CC 2.5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
33.	Term Loan	Nabsamrudhi Finance Limited	350.00	July 25, 2023	34.96	14.85 %	24	Book Debts 1.1 times and CC 2.5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
34.	Term Loan	RAR Fincare	150.00	July 25, 2023	122.56	16.00 %	36	Book Debts 1.15 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
35.	Term Loan	Ambit Finvest Private Limited	200.00	August 28, 2023	155.91	16.50 %*	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
36.	Term Loan	AU Small Finance Bank	1,400.00	August 24, 2023	1,200.00	14.50 %	24	Book Debts 1.2 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
37.	Term Loan	State Bank of India	1,200.00	September 30, 2023	1,044.51	12.20 %	27	Book Debts 1.25 times and CC 10%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
38.	Term Loan	Union Bank of India	800.00	October 17, 2023	633.33	11.45 %	24	Book Debts 1.1 times and CC 10%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
39.	Term Loan	Friends of WWB, India	100.00	July 03, 2023	82.61	15.50 %	24	Book Debts 1.1 times	No
40.	Term Loan	Finhive Capital Private Limited	75.00	November 21, 2023	57.28	15.00 %	12	Book Debts 1 times	Guarantee of Dr. Aqueel Ahmed Khan

									and Prabhakar Rawat
41.	Term Loan	Usha Financial Services Limited	200.00	November 22, 2023	178.34	16.00 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
42.	Term Loan	RAR Fincare	100.00	December 15, 2023	93.36	16.00 %	36	Book Debts 1.15 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
43.	Term Loan	Electronica Finance Limited	150.00	December 18, 2023	139.16	15.75 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
44.	Term Loan	Arohan Financial Services Limited	800.00	December 22, 2023	712.50	15.00 %	24	Book Debts 1.1 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
45.	Term Loan	UC Inclusive Credit Private Limited	800.00	January 30, 2024	482.30	16.65 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
46.	Term Loan	Real Touch Finance Ltd	200.00	January 22, 2024	192.86	15.75 %	24	Book Debts 1.1 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
47.	Term Loan	Vivriti Capital Limited	500.00	February 07, 2024	479.17	16.00 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
48.	Term Loan	Caspian Impact Investments Pvt. Ltd.	500.00	February 08, 2024	479.17	15.75 %	24	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
49.	Term Loan	Arohan Financial Services Limited	200.00	December 22, 2023	192.69	15.00 %	24	Book Debts 1.1 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
50.	Term Loan	Indian Overseas Bank	1,500.00	February 27, 2024	1,500.00	12.40 %	60	Book Debts 1.25 times and CC 10%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat

51.	Term Loan	Dhanlaxmi Bank Ltd	500.00	January 25, 2024	500.00	11.50 %	36	Book Debts 1.1 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
52.	Term Loan	Maanaveya Development & Finance Pvt. Ltd.	600.00	March 13, 2024	400.00	14.75 %	24	Book Debts 1.1 times and CC 5%	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
53.	Term Loan	Northern Arc Capital Limited	500.00	March 22, 2024	500.00	14.20 %	12	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
54.	NCD	Promising Lenders Fund (NCD)	1,800.00	October 20, 2022	775.00	15.00 %	28 Months 15 days	Book Debts 1.1 times	Guarantee of Dr. Aqueel Ahmed Khan and Prabhakar Rawat
55.	ECB	Grameen Credit Agricole Microfinance Foundation	1,359.75	November 23, 2023	1,359.75	7.50%	53	Book Debts 1.1 times	No

\*In case of Floating charges interest rate disclosed is as on March 31, 2024

\*\*As certified by R Gopal & Associates, Chartered Accountants by way of their certificate dated September 03, 2024

### Unsecured Loans

Category of borrowing	Name of Lender	Agreement date	Outstanding amount (₹ in Lakhs) as on March 31, 2024	Rate of Interest
Sub-debt	M-Swasth Solutions Private Limited	May 09, 2023	100.00	14.00%
Sub-debt	Anjum Ara - Subordinated Debt	March 30, 2022	50.00	15.00%
Sub-debt	Uthaan Technologies Private Limited	July 26, 2023	25.00	14.00%
Sub-debt	Uthaan Technologies Private Limited	July 26, 2023	25.00	14.00%
Sub-debt	Anjum Ara - Subordinated Debt	March 04, 2024	50.00	14.00%
<b>Total</b>			<b>250.00</b>	

### Principal terms of our outstanding borrowings availed by our Company:

- Tenor:** The tenor of the term loans availed by us typically ranges from 12 months to 66 months.  
The maturity period of the NCDs issued by us is 28 months 15 days. Further, the ECBs issued by us are typically having maturity period up to 52 months.
- Interest:** 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.  
Our Company has also issued NCD, for which our Company has entered into debenture trust deeds and in terms of this facility, a specified interest or coupon rate is to be paid per annum. The Interest rate for such facility issued by our Company is 15 % per annum. The interest rate for the term loans availed by our Company ranges from 7.50 % per annum to 16.65 % per annum.



Further, for certain borrowings availed by our Company, additional interest rates ranging up to 5 % 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) Exclusive and continuing charge by way of hypothecation or assignment on the specific book debts arising out of the loans extended, including present and future book debts/ loan assets;
- b) Pari passu or first charge on hypothecation of standard loan receivables under the facility, as applicable;
- c) First and exclusive charge on the standard receivables along with the prescribed security cover;
- d) Asset cover for the loan by way of charge over the loan assets/ book debts at a minimum prescribed limit;
- e) An irrevocable Personal Guarantee given by our Promoters i.e Aqueel Ahmed Khan and Prabhakar Rawat.
- f) Cash margin in the form of fixed deposits kept under lien with the lender regarding hedging in case of External Commercial Borrowing; and
- g) Cash collaterals;

**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 payment to be done on monthly, quarterly, or annual basis. the repayment period for our term loans typically ranges from 12 months to 66 months. Further, in terms of the NCDs and ECBs, the redemption period is 29 months and 52 months, respectively. With respect to NCDs, trustee have the right to call for early redemption of the debentures by exercising the put option 12 months after the deemed date of allotment, on behalf of the debenture holders

**5. Prepayment:** The term loans availed and NCDs and ECBs issued by our Company typically have prepayment and early redemption provisions respectively, which allow for prepayment or early redemption respectively, with prior notice on payment of certain penalties. While few of our term loans can be repaid only on the lender's discretion, the prepayment penalty typically ranges from 0 % to 5 % of the amount being prepaid with respect to the term loans and 0 % and 2 % with respect to NCDs and ECBs.

**6. Penal Interest:** Bank will charge penal interest ranges from 1 % to 4 % penal interest in the following cases:

- a) Company does not submit the audited financial statements within 1<sup>st</sup> November of next FY or such extended time by appropriate authority;
- b) Company does not submit the Book debts/ Other applicable statements within the stipulated time frame;
- c) Company does not comply with the financial covenants stipulated in the terms of sanction and non-compliance of any of the terms and conditions;
- d) Company does not complete the external rating process within the timeframe stipulated in the sanction, if applicable;
- e) Company does not provide timely information for renewing the limits;
- f) Default or delay in payment of overdue installment / interest over limit and for non-creation of security within the stipulated period; and
- g) Except as mentioned above, Bank will charge 2 % over the rate charged for respective credit facility in which adhoc facility is granted and in some cases bank will charge 2 % to 48 % in case of Overdue payment.

**7. Restrictive covenants:** The loans availed by our Company typically, contain certain key covenants, which require prior approval of or intimation to, the lenders and other relevant parties for certain specified events on corporate actions, including inter-alia:

- a) Appointment of other banks in relation to capital markets transactions;
- b) Amendment or modification of constitutional documents of our Company;
- c) Change in capital structure or shareholding pattern or ownership of our Company;
- d) Change in the management or management set up of our Company including changes in the composition of the Board

of Directors and change in the practice with regard to remuneration of directors;

- e) Change, in diversification or expansion of business activities;
- f) Changes in special rights held by the Shareholders;
- g) Change in constitution of borrower, viz reconstitution of Partnership Firm or Conversion of Private Limited Company into the Public Limited Company;
- h) Change in terms of financial assistance, renewal thereof or taking additional financial assistance from any banks/financial institutions, and repaying in whole or part of the loan availed by it from its directors, shareholders and related parties;
- i) Creation of further charges or any other encumbrance on the security provided for our borrowings;
- j) Disposal of Assets except in its ordinary course of business and reasonable requirements upon fair and reasonable terms;
- k) Declaration of dividends only out of the profits relating to that year and after making all due and necessary provisions, and provided further that there have been no defaults in repayment of Borrower under the facility;
- l) Dilution or transfer of promoter shareholding and non-maintenance of shareholding of promoters/ directors at the prescribed threshold;
- m) Formulation of scheme of merger/takeover, consolidation, reorganization, reconstruction, compromise or amalgamation;
- n) Non-payment of consideration by way of commission, brokerage and fees or in any other form to guarantors directly or indirectly;
- o) Stand as surety or guarantor for any third party liability or obligation; and
- p) Shareholders of Borrower will not affect any change in control i.e. dilution of equity interest below 51% during the tenor of the facility through secondary sale of shares without prior written consent of the Lender.

**8. Events of default:** Borrowing arrangements entered into by our Company contain standard events of default, including inter-alia:

- a) Any breach of the financial covenants by our Company beyond the prescribed limits as mentioned under various borrowing agreements;
- b) Any government or governmental authority, agency, official or entity takes or threatens any action against our Company for nationalization or expropriation;
- c) Any attachment or restraint of our Company's properties;
- d) Any of the PDCs/UDCs delivered or to be delivered by the Borrower to the Lender in terms and conditions hereof is not delivered / honoured / en-cashed for any reason whatsoever on presentation or any instruction being given by the Borrower for stop payment of any PDCs/UDCs for any reason whatsoever;
- e) 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) Cross default;
- g) Diversion of funds for purposes other than the stipulated purpose;
- h) Furnishing of misleading information to the lender;
- i) Failure to originate the portfolio within the Portfolio Origination Period and Portfolio Originated out of the facility not meeting the Portfolio Origination criteria;
- j) If there is any deterioration or impairment or alteration or any, decline or depreciation in value or market price of the asset or any part thereof which causes the asset in judgement of the lender to become unsatisfactory in value/character;
- k) 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;
- l) If borrower fails to pay any tax or other imposition or charges/outgoings or to comply with any other laws, regulations, formalities required to be completed in respect of the security under law from time to time;

- m) If there is any failure in compliance of applicable RBI regulations or any other applicable laws including social, environmental, labour, health and safety laws, ordinances rules and regulations;
  - n) Indulging in activities, which are detrimental to the image/interest of the Bank viz., acts that are unlawful or malafide etc;
  - o) In the event of happening of natural calamities / acts of God / force majeure conditions / market exigencies (judgement over which lender shall have an absolute discretion);
  - p) Non-creation of the required security as required under the loan agreement entered into between our Company and lender within the stipulated time;
  - q) Non-payment of instalment/ interest within stipulated time;
  - r) Our Company voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law; and
  - s) Rating downgrade provided by credit rating agencies, if any;
  - t) Revocation of approvals obtained by our Company from government authorities;
  - u) Restructuring of any borrowing arrangement
  - v) Shareholding of our Promoter falls below certain threshold;
  - w) Use of proceeds other than that specified in the transaction documents;
  - x) Violation of any Regulatory and Statutory Provisions or orders of Statutory bodies by the borrower
  - y) Violation of any term of the relevant agreement or any other borrowing agreement entered into by our Company with the lender.
- 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) Accelerate the outstanding amounts under the facility;
  - b) Appointment of observer/ nominee director on the board;
  - c) Charging default interest of 2% per annum;
  - d) Conversion of outstanding loan obligations into equity or other securities;
  - e) Declare security created to be enforceable;
  - f) Demand cure of the default;
  - g) Exercise such remedies as may be permitted or available to the lender under law, including RBI
  - h) Guidelines;
  - i) Impose penalty at rate of 1% per annum on each default subject to maximum penalty of 2% over and above the stipulated interest rate on entire loan amount for the period of default;
  - j) Recall the entire facility including any outstanding amount thereto and take recovery action including action under SARFAESI Act, 2002;
  - k) Stipulate any additional condition as they may deem fit including but not limited to stipulation of additional security / collateral, require infusion of additional equity / funds from the promoter;
  - l) Terminate either whole or part of the facility and suspend or cancel the further drawings and/ or declare that the dues and all obligations shall immediately become due and payable to the lender;
  - m) Take possession of and/or transfer the assets comprised within the security;
  - n) Trigger cross-default provisions as prescribed in the facility documentation.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; or (d) Material Litigation (as defined below); involving our Company, its Directors, the Promoters and the Group Companies ("Relevant Parties"). Further, there are no disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against our Promoters in the last five (5) FYs, including any outstanding action.*

*For the purpose of material litigation in (d) above, our Board in its meeting held on August 05, 2024 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("Materiality Policy"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings and actions by regulatory authorities and statutory authorities, will be considered material if: (i) if the aggregate amount involved exceeds 2% of the profit after tax as per the latest Fiscal in Restated Financial Statements; or (ii) are outstanding litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; or (iii) the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold.*

*It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.*

*Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated August 05, 2024. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding 10% of trade payables as per the Restated Financial Statements of our Company disclosed in this Draft Red Herring Prospectus, would be considered as material creditors. The trade payables of our Company as on March 31, 2024, were ₹2.86 lakhs. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.*

*For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

*All terms defined in a particular litigation disclosure pertains to that litigation only.*

#### **I. Litigation involving our Company.**

##### **A. Litigation filed against our Company.**

###### **1. Criminal proceedings**

Nil

###### **2. Outstanding actions by regulatory and statutory authorities**

Nil

###### **3. Material civil proceedings**

Nil

##### **B. Litigation filed by our Company**

###### **1. Criminal proceedings**

###### **a. State Vs Rajdeep Singh (CRM-52-2023/ CNR no. HRFTA1-001155-2023)**

Mr. Salim Sidiki, Manager of the Company ("Complainant") has filed a complaint on behalf of the Company against Rajdeep Singh who was a branch manager of the Company ("Accused") vide FIR no. 0284, on August 27, 2022 at

Ratiya, Fatehabad police station under section 420, 406, 467, 468, 471, 120-B of Indian Penal Code, 1860. The Accused was a cash collector in the Company. The Complainant alleges that accused ran away with the collected money amounting to Rs. 4,19,462. The case is under police investigation. The matter is still pending.

**b. *FIR has been filed by Mr. Sanjay Patel against unknown persons (FIR No. 0251)***

Mr. Sanjay Patel who is an employee of the Company (“**Complainant**”) on behalf of the Company has filed a FIR bearing FIR No. 0251 on October 26, 2021 at Raksa, Jhansi police station, under section 392 of Indian Penal Code, 1860. The Complainant is a cash collector in the Company. The Complainant contents that while he was returning from his work after the collection of the monies, three unknown person forcefully snatched the collected money amounting to ₹ 1,46,320 and robbed the Complainant. The case is under police investigation and the charge sheet has been lodged. The matter is still pending. The next date of hearing is September 09, 2024.

**c. *FIR has been filed by Mr. Pepraj Gautam against unknown persons (FIR No. 0235)***

Complainant Mr. Pepraj Gautam, who is an employee, on behalf of the Company has filed FIR bearing FIR no. 0235, dated October 21, 2019 under section 392 of Indian Penal Code, 1860 and Section 11 and 13 of Madhya Pradesh Dacaiti aur Vyapharan Prabhavit Kshetra Adhiniyam, 1981 at Dabra Malanpur, Bhind police station. The Complainant contents that he was coming back from his work with the collected cash and suddenly three unknown person blocked his way and robbed him along with cash amounting to Rs. 2,05,780. The case is under police investigation. The matter is still pending.

**d. *Mitrata Inclusive Financial Services Private Limited Vs Amarjeet Singh (Case no. COMI/0000032/2022)***

The Company has filed complaint under Section 156(3) of Criminal Procedure Code, 1973, against the accused Amarjeet Singh under section 406, 420, and 120B of Indian Penal Code, 1860, before the Chief Judicial Magistrate, Taluka Court, Ellenabad dated August 08, 2022. The accused was an ex-employee of the Company who was in-charge of collecting loan instalments from the clients. On April 22, 2022, the accused collected an amount of Rs. 45,527 from 20 clients of the Company and ran away with the money. The Hon’ble court has passed an order dated July 10, 2024, and issued a show cause notice under section 174 of Indian Penal Code, 1860 against the Station House Officer (“SHO”) of Raina police station for not submitting the report. The next date of hearing is November 11, 2024 for presenting investigation report by the SHO.

**e. *Mitrata Inclusive Financial Services Pvt. Ltd. Vs Sunil Kumar and Others. (Case no. CRM/0000210/2022)***

The Company has made a complaint against Sunil Kumar, Gaurav, Ravindra Singh, Vikram Singh and Yogendra (together referred as “**Accused**”) under Section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate, Hisar, for the alleged crime under section 406, 409, 420, and 120B of Indian Penal Code, 1860, dated September 28, 2022. The Complainant alleges that the Accused, who were employees of the Company voluntarily choose not to submit the collected loan instalments from 79 clients amounting to ₹ 1,90,000 to the Company’s bank account, and with malafied intention kept the collected instalments amount to themselves. The Hon’ble court taken up the matter and has directed the SHO Hisar police station to present the action report. Vide its order dated April 15, 2024 the court has directed the Company for making appearance before the court on January 10, 2025.

**f. *Mitarta Inclusive Financial Services Pvt. Ltd. Vs Mukesh Kumar and Others. (Case no. COMI/0000057/2022)***

The Company has filed a complaint against Mukesh Kumar, Kamaljeet Ram and Prem (together referred as “**Accused**”) under Section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate, Taluka Court, Dabwali, dated August 04, 2020, for the alleged crime under section 406 and 420 of Indian Penal Code, 1860. The Company alleges that the Accused were employees of the Company who conspired together with ill intentions to take the collected loan instalments from 36 clients amounting to Rs. 98,780 for their personal use. The Hon’ble court has taken up the matter and the next date of hearing is October 21, 2024 for presenting primary evidence in the case.

**g. *Prem Singh Shekhawat Vs Kamaljeet Ram (Case no. COMI/0000041/2022)***

The Company has filed complaint dated June 07, 2022, before the Chief Judicial Magistrate, Taluka Court, Dabwali under section 156(3) of Criminal Procedure Code, 1973, by its representative Mr. Prem Singh Shekhawat against Kamaljeet Ram (“**Accused**”) for the alleged crime under section 406, 420, 504, 506 and 120B of Indian Penal Code, 1860. The Accused was an employee and in-charge of the collection of loan instalments from the client. The Company alleges that the Accused collected the instalments amounting to Rs. 1,34,881 from 41 clients and threaten the clients for not reporting it to the police and thereby ran away with the money. The Hon’ble Court has taken up

the matter, primary evidence has been recorded. The next date of hearing is September 18, 2024 for arguments in the matter.

***h. Ujjawal Wala Versus Gaurav Kumar (Case no. COMI/0000097/2022)***

The Company has filed a complaint by its representative Ujjawal Wala under section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate, Hisar, dated June 06, 2022, against Gaurav Kumar for the alleged crime under section 406, 420, 509, 506, 120 B of Indian Penal Code, 1860. The Company alleges that the Accused collected the instalments amounting of Rs. 65,960 from 27 women clients and threaten the clients for not reporting it to the police and thereby ran away with the money. The Hon'ble court has taken up the matter and the SHO Hisar police station is directed to submit the action taken report. The next date of hearing is September 10, 2024, for appearance of the Company and for the submission of action taken report by the SHO.

***i. Letter to the Superintendent of Police ("SP") under section 154(3) of Criminal Procedure Code, 1973 by the Company against Balchandra Kumar (Reference no.: 60000240089794)***

The Company has sent a letter dated June 19, 2024 to the SP, Kushinagar, by its representative Mr. Salim Sidiki against Balchandra Kumar ("Accused"). The Accused was an employee of the Company and was in-charge of collecting loan instalments from the client. The Company alleges that the Accused collected an amount of Rs. 96,951 from 15 clients and despite of depositing the instalments to the Company's bank account took the money for himself and ran way. The Company is intending to file a complaint under section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate in case no cognizance is taken by the SP in the present matter.

***j. Letter to the SP under section 154(3) of Criminal Procedure Code, 1973 by the Company against Mritunjay Upadhyay***

The Company has sent a letter dated May 30, 2024 to the SP, Koshinagar, by its representative Mr. Salim Sidiki against Mritunjay Upadhyay ("Accused"). The Accused was an employee of the Company and was in-charge of collecting loan instalments from the client. The Company alleges that the Accused collected an amount of Rs. 50,990 from 6 clients and despite of depositing the instalments to the Company's bank account took the money for himself and ran way. The Company is intending to file a complaint under section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate in case no cognizance is taken by the SP in the present matter.

***k. FIR has been filed by the Company against Rahul Rawat (FIR no. 0230)***

The Company has filed a FIR by its representative Salim Sidiki on July 25, 2024, at Sipri, Jhasi police station against Rahul Rawat ("Accused") under section 406, 409, 420, 504, 506 and 120B of Indian Penal Code, 1860. The Accused was an employee and in-charge of the collection of loan instalments from the clients. The Company alleges that the Accused collected the instalments from 6 clients amounting of Rs. 96,000 and ran away with the money. The matter is under investigation.

***l. Complaint against Manish Kumar at the grievance portal of Ministry of Personnel, Public Grievances & Pensions, Department of Administrative Reforms & Public Grievances (Registration no. GOVBH/E/2024/0002153)***

The Company by its representative Salim Sidiki has filed a complaint at the public grievance portal against Manish Kumar ("Accused") on May 05, 2024. The Accused was an employee and in-charge of the collection of loan instalments from clients. The Company alleges that the Accused collected the instalments from 21 clients amounting of Rs. 82,220 by falsely assuring to approve huge loans to the client without the information to the Company and ran away with the money. The Company is intending to file a formal case at the police station or before the magistrate.

***m. Letter to the SP under section 154(3) of Criminal Procedure Code, 1973 by the Company against Priya Upadhyay***

The Company has sent a letter dated May 04, 2024, to the SP, Maharajganj, by its representative Mr. Satyendra Yadav against Priya Upadhyay ("Accused"). The Accused was an employee of the Company and was in-charge of collecting loan instalments from the client. The Company alleges that the Accused collected an amount of Rs. 1,29,052 from 68 clients without the information of the Company with an intention to cheat and took the money for himself and ran way. The Company is intending to file a complaint under section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate in case no cognizance is taken by the SP in the present matter.

**n. *Complaint against Pooja Chaudhary at the grievance portal of Ministry of Personnel, Public Grievances & Pensions, Department of Administrative Reforms & Public Grievances (Registration no. GOVRJ/E/2024/0001890)***

The Company by its representative Salim Sidiki has filed a complaint at the public grievance portal against Pooja Chaudhary ("Accused") on May 07, 2024. The Accused was an employee and in-charge of the collection of loan instalments from clients. The Company alleges that the Accused collected the instalments from 4 clients amounting of Rs. 8,250 and ran away with the money. The Company is intending to file a formal case at the police station or before the magistrate.

**o. *Letter to the SP under section 154(3) of Criminal Procedure Code, 1973 by the Company against Luvpreet***

The Company has sent a letter dated July 12, 2024, to the SP, Ganganagar, by its representative Mr. Salim Sidiki against Luvpreet ("Accused"). The Accused was an employee of the Company and was in-charge of collecting loan instalments from the client. The Company alleges that the Accused collected an amount of Rs. 12,190 from the clients without the information of the Company with an intention to cheat them and took the money for himself and ran away. The Company is intending to file a complaint under section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate in case no cognizance is taken by the SP in the present matter.

**p. *Letter to the SP under section 154(3) of Criminal Procedure Code, 1973 by the Company against Mukesh Kumar***

The Company has sent a letter dated July 12, 2024, to the SP, Ganganagar, by its representative Mr. Salim Sidiki against Mukesh ("Accused"). The Accused was an employee of the Company and was in-charge of collecting loan instalments from the client. The Company alleges that the Accused collected an amount of Rs. 36,695 from the clients without the information of the Company with an intention to cheat them and took the money for himself and ran away. The Company is intending to file a complaint under section 156(3) of Criminal Procedure Code, 1973, before the Chief Judicial Magistrate in case no cognizance is taken by the SP in the present matter.

**q. *Letter to the Chief Minister, Rajasthan by the Company against Mandeep Singh***

The Company has sent a letter dated July 12, 2024, to the CM, Rajasthan by its representative Mr. Salim Sidiki against Mandeep Singh ("Accused"). The Accused was an employee of the Company and was in-charge of collecting loan instalments from the client. The Company alleges that the Accused collected an amount of Rs. 26,670 from the clients without the information of the Company with an intention to cheat them and took the money for himself and ran away. The Company is intending to file a FIR.

**r. *Mitrata Inclusive Financial Services Pvt. Ltd. Vs Ranno Sharma and Ors. (Registration. No.: 44/2022)***

The Company has filed complaint dated February 01, 2022, before the Chief Judicial Magistrate, Chatarpur under section 156(3) of Criminal Procedure Code, 1973, by its representative Salim Sidiki under section 420, 467, 468, 471, 504, 506 and 120B of Indian Penal Code, 1860, Ranno Sharma and 11 others ("Accused") for the alleged crime. The Company alleges that the Accused with an intention to cheat the Company submitted forged documents of 30 women in- order to make them eligible for the loan amounting to Rs. 30,000 each. Considering the documentation submitted by the Accused the Company disbursed an amount of Rs. 9,00,000 to 30 women under group loan and self-employment, small industries scheme. Upon asking for the repayment of instalments from those 30 women the Accused together used foul language and threaten the Company employee to kill and that they will file a complaint for molestation and under Atrocities Act. The matter is pending before the court and is at its trail stage. The next date of hearing is January 24, 2025.

**s. *Mitrata Inclusive Financial Services Pvt. Ltd. Vs Anita Jha and Ors. (Registration. No.: 16/2022)***

The Company has filed complaint dated January 01, 2022, before the Chief Judicial Magistrate, Tikamgarh, under section 156(3) of Criminal Procedure Code, 1973, by its representative Salim Sidiki under section 420, 467, 468, 471, 504, 506 and 120B of Indian Penal Code, 1860 Anita Jha and 17 others ("Accused") for the alleged crime. The Company alleges that the Accused with an intention to cheat the Company submitted forged documents of 75 women in- order to make them eligible for the loan amounting to Rs. 30,000 each. Considering the documentation submitted by the Accused the Company disbursed an amount of Rs. 22,50,000 to 75 women under group loan and self-employment, small industries scheme. Upon asking for the repayment of instalments from those 75 women the Accused together used foul language and threaten the Company employee that they will file a complaint for molestation and under Atrocities Act. The next date of hearing is posted on September 10, 2024 for recording of evidence.

**t. Mitrata Inclusive Financial Services Pvt. Ltd. Vs Ramdevi Aharwar and Ors. (Registration. No.: 1234/2022)**

The Company has filed complaint dated July 19, 2022, before the Chief Judicial Magistrate, Digora, Distt. Tikamgarh, under section 156(3) of Criminal Procedure Code, 1973, by its representative Salim Sidiki under section 420, 467, 468, 471, 504, 506 and 120B of Indian Penal Code, 1860, against Ramdevi Aharwar and 19 others (“Accused”) for the alleged crime. The Company alleges that the Accused with an intention to cheat the Company submitted forged documents of 19 women in- order to make them eligible for the loan amounting to Rs. 30,000 each. Considering the documentation submitted by the Accused the Company disbursed an amount of Rs. 5,70,000 to 19 women under group loan and self-employment, small industries scheme. Upon asking for the repayment of instalments from those women the Accused together used foul language and threaten the Company employee that they will file a complaint for molestation and under Atrocities Act. The next date of hearing is not yet notified.

**u. Mitrata Inclusive Financial Services Pvt. Ltd. Vs Nabbu Sour and Ors. (Registration. No.: 40/2022)**

The Company has filed complaint dated January 31, 2022, before the Chief Judicial Magistrate, Baldeogarh, Distt. Tikamgarh, under section 156(3) of Criminal Procedure Code, 1973, by its representative Salim Sidiki under section 420, 467, 468, 471, 504, 506 and 120B of Indian Penal Code, 1860, against Nabbu Sour and 6 others (“Accused”) for the alleged crime. The Company alleges that the Accused with an intention to cheat the Company submitted forged documents of 20 women in- order to make them eligible for the loan amounting to Rs. 30,000 each. Considering the documentation submitted by the Accused the Company disbursed an amount of Rs. 6,00,000 to 20 women under group loan and self-employment, small industries scheme. Upon asking for the repayment of instalments from those women the Accused together used foul language and threaten the Company employee that they will file a complaint for molestation and under Atrocities Act. The next date of hearing is posted on September 23, 2024.

**2. Outstanding actions by regulatory and statutory authorities**

Nil

**3. Material civil proceedings**

Nil

**C. Litigation filed by our Company.**

**1. Criminal proceedings**

Nil

**2. Material civil proceedings**

Nil

**D. Tax proceedings**

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (₹ in Lakhs) ^
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

^Rounded off to the closest decimal

**II. Litigation involving our Directors (other than Promoters)**

**A. Litigation filed against our Directors (other than Promoters)**

**i. Criminal proceedings**

Nil

**ii. Outstanding actions by regulatory and statutory authorities**

Nil

**iii. Material civil proceedings**

Nil



B. *Litigation filed by our Directors (other than Promoters)*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (₹ in Lakhs)
Direct Tax	2*	2.47
Indirect Tax	Nil	Nil
<b>Total</b>		<b>2.47</b>

\* Outstanding Demand against one of our Director Achal Savyasaachi amounting to (i) Rs. 2,29,896 under section 154 for the Assessment year 2014 and outstanding Demand against one of our Director Mathew Titus amounting to (i) Rs. 17,549 under section 1431b for the Assessment year 2014

**III. Litigation involving our Promoters**

A. *Litigation filed against our Promoters*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

B. *Litigation filed by our Promoters*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (₹ in Lakhs)
Direct Tax	2*	1.56
Indirect Tax	Nil	Nil
<b>Total</b>	<b>2</b>	<b>1.56</b>

\*Outstanding Demand against one of our Promoter Prabhakar Rawat amounting to (i) Rs. 1,05,844 under section 1431 for the Assessment year 2014 and (ii) Rs. 50,010 under section 1431 for the Assessment year 2012.

**Outstanding dues to creditors**

Our Board, in its meeting held on August 05, 2024, has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company, to whom an amount ₹ 2.86 Lakhs (10% of the outstanding trade payables i.e. ₹ 28.55 Lakhs) as on the date of the latest period in the Restated Financial Statements was outstanding, were considered material creditors.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2024 by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (₹ in Lakhs)
Material creditors	2	14.57
Micro, Small and Medium Enterprises	5	1.58

Other creditors	9	12.40
<b>Total</b>	<b>16</b>	<b>28.55</b>

The details pertaining to net outstanding dues towards our material creditors as on March 31, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.mitrata.in](http://www.mitrata.in). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

### **Material Developments**

Other than as stated in the chapter entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after March 31, 2024*" on beginning on page 241, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Issue and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the chapter “Risk Factors” beginning on page 31, these material approvals are valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “Key Industry Regulations and Policies” beginning on page 167.*

*Our Company is in the process to submit necessary application(s) with all regulatory authorities for change of its name in the approvals, licenses, registrations and permits issued to our Company.*

### **I. Material approvals obtained in relation to the Issue**

- a. The Board of Directors has, pursuant to a resolution passed at its meeting held on August 05, 2024, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- b. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on August 06, 2024, authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- c. The Company has obtained the in-principle listing approval from the EMERGE Platform of NSE, dated [●].

### **II. Material approvals obtained in relation to our business and operations**

Our Company have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

#### **A. Incorporation details of our Company**

- a. Our Company was incorporated as a private limited company in the name of ‘Sona Finance Private Limited’ vide Certificate of Incorporation dated May 13, 1985 issued by the Registrar of Companies.
- b. Fresh Certificate of Incorporation dated December 20, 2018, issued to our Company by the RoC, pursuant to the name change of our company from “Sona Finance Private Limited” to “Mitrata Inclusive Financial Services Private Limited”.
- c. Fresh Certificate of Incorporation dated July 08, 2024 issued to our Company by the RoC, pursuant to the conversion of our Company from private to public limited and the ensuing change in the name of our Company from “Mitrata Inclusive Financial Services Private Limited” to “Mitrata Inclusive Financial Services Limited”

#### **B. Tax related approvals obtained by our Company**

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Validity /Date of Issue / Renewal	Date of Expiry
1.	Permanent Account Number (PAN)	AAACS4245A	Income Tax Department	January 11, 2019	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	DELS54414D	Income Tax Department	July 18, 2024	Valid till cancelled
3.	GST Registration Certificate- Haryana (for Input Tax Credit)	06AAACS4245A2ZW	Goods and Services Tax Department	June 03, 2019	Valid till cancelled
4.	GST Registration Certificate – Bihar	10AAACS4245A1Z8	Goods and Services Tax Department	November 11, 2019	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Validity /Date of Issue / Renewal	Date of Expiry
5.	GST Registration Certificate – Madhya Pradesh	23AAACS4245A1Z1	Goods and Services Tax Department	June 14, 2019	Valid till cancelled
6.	GST Registration Certificate – Haryana	06AAACS4245A1ZX	Goods and Services Tax Department	September 13, 2017	Valid till cancelled
7.	GST Registration Certificate – Rajasthan	08AAACS4245A1ZT	Goods and Services Tax Department	September 01, 2019	Valid till cancelled
8.	GST Registration Certificate - Uttar Pradesh	09AAACS4245A1ZR	Goods and Services Tax Department	May 15, 2019	Valid till cancelled

**C. Regulatory approvals of our Company**

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Registration as NBFC-without accepting public deposit	B-14.02500	Reserve Bank of India, Department of Non-Banking Supervision, New Delhi	October 20, 2001	Valid till cancelled
2.	Fresh Certificate of Registration -Converted to NBFC- MFI	B-14.02500	Reserve Bank of India, Department of Non-Banking Supervision, New Delhi	April 18, 2018	Valid till cancelled
3.	Fresh Certificate of Registration as NBFC-MFI on account of name change	B-14.02500	Reserve Bank of India, Department of Non-Banking Supervision, New Delhi	February 25, 2019	Valid till cancelled
4.	Fresh Certificate of Registration as NBFC-MFI on account of name change	B-14.02500	Reserve Bank of India, Department of Non-Banking Supervision, New Delhi	August 30, 2024	Valid till cancelled
5.	Certificate of registration - Employees' Provident Fund*	GNGGN1647586000	Employees' Provident Fund Organization	September 22, 2017	Valid till cancelled
6.	Certificate of registration - ESIC – Bihar*	42690605690011099	Employees' State Insurance Corporation	October 26, 2017	Valid till cancelled
7.	Certificate of	69000605690001099	Employees'	September	Valid till

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	registration - ESIC – Haryana*		State Insurance Corporation	21, 2017	cancelled
8.	Certificate of registration - ESIC - Madhya Pradesh*	18690605690011099	Employees' State Insurance Corporation	October 17, 2017	Valid till cancelled
9.	Certificate of registration - ESIC – Rajasthan*	15690605690011099	Employees' State Insurance Corporation	June 07, 2023	Valid till cancelled
10.	Certificate of registration - ESIC - Uttar Pradesh (West)*	21690605690011099	Employees' State Insurance Corporation	October 17, 2017	Valid till cancelled
11.	Certificate of registration - ESIC - Uttar Pradesh (Central)*	30690605690011099	Employees' State Insurance Corporation	October 17, 2017	Valid till cancelled
12.	Certificate of registration - ESIC - Uttar Pradesh (East)*	30690605690021099	Employees' State Insurance Corporation	November 08, 2017	Valid till cancelled
13.	Registration Certificate – Professional Tax- Bihar	10AFIPY7355K	Bihar State Tax Department	December 03, 2019	NA
14.	Registration Certificate – Professional Tax- Madhya Pradesh	78859184328	Madhya Pradesh State Tax Department	October 12, 2019	NA
15.	Legal Entity Identifier Code	335800A1F9BX4PD2F924	Legal Entity Identifier India Limited	October 20, 2023	November 22, 2024
16.	Certificate of Membership in Experian Credit Information Company of India	NBFSOF3617	Experian Credit Information Company of India	September 2023	August 2024 (Auto Renewal)
17.	Membership of CIBIL	NB4228	TransUnion CIBIL Limited	September 7, 2017	Valid till cancelled
18.	Certificate of Membership in Equifax	006FZ00088	Equifax Inc.	June 2018	Valid till cancelled
19.	Certificate of Membership of CRIF	NBF0001448	CRIF High Mark Credit Information Services Pvt. Ltd.	2017	June, 2025
20.	Shops & Establishment Certificate- Ground Floor, Shree Krishna Kunj, MH Chauraha, Morar, Gwalior, MP 474006	GWAL230703SE000165	Labour Department Madhya Pradesh	July 03, 2023	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
21.	Shops & Establishment Certificate - Ward No-11, Surya Nagar Colony, Dabra, Gwalior, Madhya Pradesh, 475110	GWAL230704SE000554	Labour Department Madhya Pradesh	July 21, 2023	Valid till cancelled
22.	Shops & Establishment Certificate- Ward No 09, karera Bypass Narwar, Narwar, Shivpuri, Madhya Pradesh, 473880#	SHIV230627SE019186	Labour Department Madhya Pradesh	July 21, 2023	Valid till cancelled
23.	Shops & Establishment Certificate- Behing Purani Galla Market, Nayak Colony, Khargapur, Tikamgarh, Madhya Pradesh, 472115	C/1645314	Labour Department Madhya Pradesh	June 07, 2021	Valid till cancelled
24.	Shops & Establishment Certificate- Behind Hotel White House, Eidgah Colony, Tikamgarh, Madhya Pradesh, 472001	C/1641631	Labour Department Madhya Pradesh	May 24, 2021	Valid till cancelled
25.	Shops & Establishment Certificate - Gali No 4 Side by Gali No 9, Nishant Vasant Vihar Rajendra Nagar Satna, Satna, Satna, Madhya Pradesh, 485001#	S/1290410	Labour Department Madhya Pradesh	April 28, 2020	Valid till cancelled
26.	Shops & Establishment Certificate- Ward No 2, Ewasi, Nagod, Satna, Madhya Pradesh, 485446#	C/1641803	Labour Department Madhya Pradesh	May 27, 2021	Valid till cancelled
27.	Shops & Establishment Certificate- Bankuiya Road Near Government High School, Infront of Bandhan Bank Maidani, Rewa, Madhya Pradesh, 486001#	C/1648674	Labour Department Madhya Pradesh	June 14, 2021	Valid till cancelled
28.	Shops & Establishment Certificate- Ward No - 24, Harnaam pur, Sarlanagar Road, Near Dadan Maharaj boundary, Maihar, Satna, Madhya Pradesh, 485771	C/1640836	Labour Department Madhya Pradesh	May 19, 2021	Valid till cancelled
29.	Shops & Establishment Certificate- Behind	SIDH240119SE013928	Labour Department	January 24, 2024	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Honda Agency, Near Police Station, Rewa, Sidhi Main Road Rampur Naikin, Sidhi, Madhya Pradesh		Madhya Pradesh		
30.	Shops & Establishment Certificate- Ward no. 9, Mangawan Basti, Diha, Near BSNL office, Dist. Rewa, Madhya Pradesh, 486111	REWA240116SE010741	Labour Department Madhya Pradesh	July 04, 2024	Valid till cancelled
31.	Shops & Establishment Certificate- Ward No.14, House No. 2548, Kirshna Colony, Near New Police Station, Vill- Harpalpur, Tehsil- Naugaon, Chhatarpur, Madhya Pradesh	CHHA240119SE014402	Labour Department Madhya Pradesh	June 14, 2024	Valid till cancelled
32.	Shops & Establishment Certificate- Ward No.10, Saheed Shyam Lal Colony, South Karodiya Post Sidhi, Madhya Pradesh, 486661	SIDH240806SE000733	Labour Department Madhya Pradesh	August 08, 2024	Valid till cancelled
33.	Shops & Establishment Certificate- A.B. Road Yadav Billa Near State Bank of India, Infront of Punjab National Bank, Banmore, Morena, Madhya Pradesh, 476444	MORE240806SE001085	Labour Department Madhya Pradesh	August 07, 2024	Valid till cancelled
34.	Shops & Establishment Certificate- Near Rajeswari College, National Highway 48, Shree Shyam Nagar, Behror, Alwar, Rajasthan, 301701	SCA/2021/2/132635	Rajasthan Labour Department	April 23, 2021	Valid till cancelled
35.	Shops & Establishment Certificate- H. No. 4/15, Ward No 6, Near Shankar Dharamkanta, Housing Board, Hanumangarh, Rajasthan, 335512^	SCA/2021/31/064393	Rajasthan Labour Department	August 02, 2021	Valid till cancelled
36.	Shops & Establishment Certificate- H. No. 24, Ward No 5, Padampur, Sri Ganganagar, Rajasthan, 335041	SCA/2021/13/048665	Rajasthan Labour Department	August 05, 2021	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
37.	Shops & Establishment Certificate- Near Saraswati School, Bhadra, Old Ward No 13, Bhadra, Hanumangarh, Rajasthan, 335501	SCA/2023/32/132537	Rajasthan Labour Department	January 09, 2023	Valid till cancelled
38.	Shops & Establishment Certificate- Ward No.23 Nearby Jodhpur Misthan Bhandar, Godown Dhanko Ka Mohalla Chirawa Jhunjhunu, Rajasthan, 333026^	SCA/2021/18/132644	Rajasthan Labour Department	June 11, 2021	Valid till cancelled
39.	Shops & Establishment Certificate- Ward No 17, Near Sahwa Bus Stand, Nohar, Infront of Mahla House Gali, Nohar, Hanumangarh, Rajasthan, 335523	SCA/2021/31/062108	Rajasthan Labour Department	August 02, 2021	Valid till cancelled
40.	Shops & Establishment Certificate- Warda No 20, Sri Vijaynagar, B Block, Sri Vijay Nagar, Sri Ganganagar, Rajasthan, 335704^	SCA/2021/13/053298	Rajasthan Labour Department	August 09, 2021	Valid till cancelled
41.	Shops & Establishment Certificate- Chhoti Jamat Gawdi, Neem Ka Thana, Gawdi Mor, Near Balaji Mandir, Neem Ka Thana, Neem Ka Thana, Sikar, Rajasthan, 332713^	SCA/2021/23/132827	Rajasthan Labour Department	June 11, 2021	Valid till cancelled
42.	Shops & Establishment Certificate- In Front of Kali Mata Temple, Village-Kanapar, Dhani Bazar, Dhani, Maharajganj, Uttar Pradesh, 273161	UPSA58002031	Uttar Pradesh Labour Department	October 05, 2023	Valid till cancelled
43.	Shops & Establishment Certificate- First Floor, Mohalla- Shivaji Puram, Palhari Chauraha Zaidpur Road, Near Verma Tent House, Barabanki, Barabanki, Uttar Pradesh, 225001	UPSA47712450	Uttar Pradesh Labour Department	August 16, 2023	Valid till cancelled



Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
44.	Shops & Establishment Certificate- Brijmanganj, Back side of Honda Showroom, Kolhui, Kolhui market main road, Laxhmipur Kaithvaliya, Maharajganj, Uttar Pradesh, 273162	UPSA58001998	Uttar Pradesh Labour Department	August 16, 2018	Valid till cancelled
45.	Shops & Establishment Certificate- Near Eidgah, Jangal Jhanjhwa, Cattel Market, Pipiganj, Maharajganj, Uttar Pradesh, 273165	UPSA59013876	Uttar Pradesh Labour Department	August 16, 2023	Valid till cancelled
46.	Shops & Establishment Certificate- Ward No. 1, S.S.D, Royal Academy, Jigna, Sahjanwan, Gorakhpur, Uttar Pradesh, 273209	UPSA59013605	Uttar Pradesh Labour Department	June 15, 2023	Valid till cancelled
47.	Shops & Establishment Certificate- Behind Nehru Inter Collage, Village- Semri, Near Thunthi Chauraha, Sukrauli, Kushinagar, Uttar Pradesh, 274207	UPSA60713449	Uttar Pradesh Labour Department	August 16, 2023	Valid till cancelled
48.	Shops & Establishment Certificate- Ward no.- 11, Lohiya Nagar, Nichlaul, Maharajganj, Uttar Pradesh, 273304	UPSA58001721	Uttar Pradesh Labour Department	September 14, 2022	Valid till cancelled
49.	Shops & Establishment Certificate- Kasia, Ward no-15, Veer Sabarkar Nagar, Teacher Colony, Kushinagar, Kushinagar, Uttar Pradesh, 274402 <sup>#</sup>	UPSA60713193	Uttar Pradesh Labour Department	November 02, 2022	Valid till cancelled
50.	Shops & Establishment Certificate- Tehsil Tirah, Ward No. 11, Gola Bazar, Gorakhpur, Uttar Pradesh, 273408 <sup>7</sup>	UPSA59012555	Uttar Pradesh Labour Department	November 02, 2022	Valid till cancelled
51.	Shops & Establishment Certificate- Ward No 10 Hanuman Nagar, Paharpur Road Nagar Panchayat, Itwa, Itwa, Siddharthnagar, Uttar Pradesh, 272192 <sup>#</sup>	UPSA55001168	Uttar Pradesh Labour Department	November 02, 2022	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
52.	Shops & Establishment Certificate- Surya Puram Colony, Near Sai AttaChakki Awas Viikash Nandanpur Jhansi, Uttar Pradesh, 284003 <sup>#</sup>	UPSA37717953	Uttar Pradesh Labour Department	August 23, 2023	Valid till cancelled
53.	Shops & Establishment Certificate- Village and Post Ratanpur, Near Samudayik Swasth Center Tahshil, Nautanwa, Maharajganj, Uttar Pradesh, 273164	UPSA58002116	Uttar Pradesh Labour Department	March 04, 2024	Valid till cancelled
54.	Shops & Establishment Certificate- Kotwa Sadak near Primary School Hathoda, Barabanki UP 225405	UPSA47712673	Uttar Pradesh Labour Department	May 12, 2024	Valid till cancelled
55.	Shops & Establishment Certificate- Village Nindura Barabanki, Kursi Road Industrial Area, Uttar Pradesh, 225302	UPSA47712674	Uttar Pradesh Labour Department	May 12, 2024	Valid till cancelled
56.	Shops & Establishment Certificate- Ward no. 15, Kabir Nagar, Nagar Palika- Siswa Bazar, Tehlis- Nichlaul, Maharajganj, UP – 273163	UPSA58002087	Uttar Pradesh Labour Department	January 20, 2024	Valid till cancelled
57.	Shops & Establishment Certificate- Ward no. 12, Malviya Nagar, Sevrachi, Kushinagar, UP- 274406	UPSA60713508	Uttar Pradesh Labour Department	October 25, 2023	Valid till cancelled
58.	Shops & Establishment Certificate- V-29/11A, DLF Phase III, Gurugram, Haryana, 122002	PSA/REG/GGNB/ LI-GGN-3/0344489	Haryana Labour Department	August 06, 2024	Valid till cancelled
59.	Shops & Establishment Certificate- H. No 14C, Malviya Nagar, Behind Bus Stand, Narnaul, Mahendragarh, Haryana, 123001	PSA/REG/MGH/ALC-Rewari/0174641	Haryana Labour Department	June 02, 2021	Valid till cancelled
60.	Shops & Establishment Certificate- Lane 3, Bank Colony, Near New Bus Stand,	PSA/REG/BHW/LI-Biwani-I/0173016	Haryana Labour Department	June 09, 2021	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Bhiwani, Bhiwani, Haryana, 127021 <sup>#</sup>				
61.	Shops & Establishment Certificate- H No 160, Court Colony/ Railway Colony, Near AXN Office, Hansi, Hisar, Haryana, 125033	PSA/REG/HSR/LI-HSR-2/0344500	Haryana Labour Department	August 06, 2024	Valid till cancelled
62.	Shops & Establishment Certificate- Ward No.- 7, House No.-1083, Infront of A-One Dharamkanta, Chautala Road, Mandi Dabwali, Sirsa, Haryana, 125104	PSA/REG/SRS//0245745	Haryana Labour Department	May 03, 2021	Valid till cancelled
63.	Shops & Establishment Certificate- Patiyala Motor Gairaj Ke Upar, Ramnagar Colony, Nearby Avni Honda Fatehabad Road, Ratia, Fatehabad, Haryana, 125051 <sup>#</sup>	PSA/REG/FTB/LI-Srs-III/0246649	Haryana Labour Department	May 31, 2021	Valid till cancelled
64.	Shops & Establishment Certificate- Gali No.3 Phase-2 Rampur, Gali No.3 Phase-2 Rampur, Rewari, Rewari, Haryana, 123401 <sup>#</sup>	PSA/REG/RWR/LI-Rwr-I/0246440	Haryana Labour Department	May 24, 2021	Valid till cancelled
65.	Shops & Establishment Certificate- House No 248, Ward no. 5, Nakoda Bazar, Rania, Rania, Sirsa, Haryana-125076 <sup>@</sup>	PSA/REG/RWR/LI-Rwr-I/0172723	Haryana Labour Department	July 02, 2021	Valid till cancelled
66.	Shops & Establishment Certificate- Vikas Nagar, Hansi Road, Near - Swaraaz Tractor Agency, Barwala, Hisar, Haryana, 125121	PSA/REG/HSR/LI-HSR-2/0344503	Haryana Labour Department	August 06, 2024	Valid till cancelled
67.	Shops & Establishment Certificate- House No 2, Vakil Colony, Ward No 2, Siwani Urban, Siwani, Bhiwani, Haryana, 127046 <sup>#</sup>	PSA/REG/BHW//0230337	Haryana Labour Department	October 14, 2020	Valid till cancelled
68.	Shops & Establishment Certificate- House No 424 Near LIC Office, Shiv Colony Mandi Adampur, Adampur, Adampur, Hisar, Haryana, 125052 <sup>#</sup>	PSA/REG/HSR/LI-Hisar-I/0224953	Haryana Labour Department	August 13, 2020	Valid till cancelled

*Note: Our Company has made applications for approvals/licenses/registrations/certifications/permissions pursuant to conversion from private limited to public limited company.*

*\*The Company has applied for the name change in the Certificates and the name has been duly changed from Sona Finance Pvt Ltd to Mitrata Inclusive Financial Services Pvt Ltd. The Company has not received the amended certificate from the authorities. However, the challans received by the Company for monthly/yearly payments are in the name of Mitrata Inclusive Financial Services Pvt Ltd.*

*#The Company has applied for the address change in the Shops and Establishment Certificate and the address has been duly changed to the address mentioned in the GST Certificate under additional place of business. The Company has not received amended certificate from the authorities.*

*^The Company is in the process of amendment of the address in the Shops and Establishment Certificate as per the address mentioned in the GST Certificate.*

*> The address mentioned in the GST Certificate under the additional place of business has a typographical error. The Company has applied for the amendment in the GST Certificate for correct address vide its application no. AA0907241630464 dated July 26, 2024.*

*@ The Company has applied for the amendment in the address in GST Certificate vide its application no. AA0607240504591 dated July 25, 2024*

### **III. Material approvals or renewals for which applications are currently pending before relevant authorities**

<b>Sr. No.</b>	<b>Details of Application</b>	<b>Application Number</b>	<b>Date of Application</b>
1.	Application for Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Chandpur Road, Shiv Lok Colony, Balipura, Post Thana- Bulandsahar, Uttar Pradesh – 203001*	SA11726133	August 02, 2024
2.	Application for Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Mohalla Sarai, Kishanchand, Dharampur Road Dibai, Dibai, Bulamsahar, Uttar Pradesh- 202393*	SA11726132	August 02, 2024
3.	Application for Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976-Ward no. 2, Ramlal Mohalla, Abhuapura, Kiroli, Agra, Uttar Pradesh -283112*	SA16731855	August 02, 2024
4.	Application for Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Village Mithaura Bazar, Near Nirmala Inter College, Tehsil Nichloul, Maharajganj, Uttar Pradesh – 273303*	SA58729150	August 02, 2024
5.	Application for Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Lakha Bazar, Aligarh Bulandsahar Road, Near Gabhana Bust Stand, Gabhana, Aligarh, Uttar Pradesh- 202136*	SA12730905	August 02, 2024
6.	Application for Registration Form 1, under Uttar Pradesh Shops and Commercial Establishment (Amendment) Act, 1976- Tradat Nagar Road, Near Over bridge, Post thana Saiyan, Khairagarh, Agra, Uttar Pradesh- 283124*	SA16731854	August 02, 2024
7.	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Sanskrit Vidyalay, Ward No. 1, Bhagawanpur Chakshekhu, Dalsinghsarai, Samastipur, Bihar, 848114	TBSE_REG/2024 /02034	March 06, 2024
8.	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Ground Floor House No.-0055, Sandha Dumber Ward-12, Near Pani Ki Tanki, Motipur Baruraj, Motipur, Muzaffarpur, Bihar, 843111	TBSE_REG/2024 /03076	April 16, 2024
9.	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Dharampur, Ward No. 8, Dharampur, Samastipur, Samastipur, Bihar, 848101	TBSE_REG/2024 /01808	February 28, 2024
10.	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Cold Store, Ward no-07, Shahpur Undi, Shahpur Undi, Samastipur, Bihar, 848504	TBSE_REG/2024 /02030	March 06, 2024
11.	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Commercial Chowk, In front of Masjid, G.N Road, Ward no-41, Laharia Sarai, Darbhanga, Darbhanga, Bihar, 846001	TBSE_REG/2024 /03063	April 16, 2024

12	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Ward no-12, Manjhaul-03, Village-Manjhaul, In front of Kali temple, Majhaul, Begusarai, Bihar, 851127	TBSE_REG/2024 /03509	May 04, 2024
13	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Near Ram Chowk, Bhora, New Ganga Sagar Colony, Madhubani, Madhubani, Bihar, 847212	TBSE_REG/2024 /03046	April 15, 2024
14	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- S H 88, First Floor, Bhirha Road, Panchupur, Prabhu Thakur Mohalla, Rosera, Rosera, Samastipur, Bihar, 848210	TBSE_REG/2024 /01913	March 02, 2024
15	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Rajputana Tola Jaynagar Basti, Post Thana Jaynagar Madhubani, Jaynagar, Jaynagar, Madhubani, Bihar, 847226	TBSE_REG/2024 /03047	April 15, 2024
16	Application for Registration Form 1 (rule 3), under Bihar shops and establishment act 1995- Ward No.10, Near DAV School, Black Runnisaidpur, Village Rampur Runnisaidpur, North Runnisaidpur, Police Station, Runnisaidpur, Runnisaidpur, Runni, Sitamarhi, Bihar, 843328	TBSE_REG/2024 /03074	April 16, 2024

\* The Company has applied for addition of the address in the GST Certificate vide its application no. AA0907241630464 dated July 26, 2024.

**IV. Material approvals expired and renewal yet to be applied for**

Nil


**V. Material approvals required but not obtained or applied for**

Nil

**VI. Intellectual Property**

As on the date of this Draft Red Herring Prospectus, our Company has not registered any trademark with the Registrar of Trademarks under the Trademarks Act, 1999.

**VII. Pending Intellectual property related approvals Application**

Date of Application	Particulars of the Mark	Application Number	Class of Registration
July 17, 2024		6529955	36

For risk associated with our intellectual property please see, “**Risk Factors** - We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights” beginning on page 55.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on August 05, 2024 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1)(c) of the Companies Act, 2013. The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of our Company held on August 06, 2024. The IPO Committee of our Company has approved this Draft Red Herring Prospectus in its meeting held on September 03, 2024. Our Board has approved this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus through its resolution dated September 03, 2024, [●], 2024 and [●], 2024, respectively. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on September 03, 2024

Each of the Selling Shareholder have confirmed and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

Sr. No.	Name of the Selling Shareholders	Date of Consent Letter	No. of Equity Shares	(₹ in Lakhs)
1	Farah Siddiqui	August 06, 2024	6,00,000	[●]
2	Prabhakar Layak	August 06, 2024	92,429	[●]

We have received In-Principle Approval from National Stock Exchange of India Limited vide their letter dated [●] to use the name of National Stock Exchange of India Limited in this Draft Red Herring Prospectus for listing of our Equity Shares on the EMERGE Platform of the National Stock Exchange of India Limited. National Stock Exchange of India Limited (NSE Limited) is the Designated Stock Exchange.

In terms of the RBI Master Directions–, prior written permission of the RBI is required, our Company is required to seek the RBI approval for change in the shareholding of our Company beyond 26% or more of the paid-up Equity Share capital of the Company pursuant to the Offer. Accordingly, our Company has filed an application dated August 06, 2024 with the RBI seeking approval in relation to the Offer.

### PROHIBITION BY THE SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, Selling Shareholders, Promoters, members of the Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Red Herring Prospectus.

Our Directors and Promoters are not directors or promoters of any other company which has been debarred from accessing the capital markets by SEBI.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

All the Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

### ASSOCIATION WITH SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the past five years preceding the date of this Draft Red Herring Prospectus

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### PROHIBITION BY RBI

Neither our Company, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Development*” beginning on 266 of this Draft Red Herring Prospectus.

## COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoters and members of the Promoter Group and each of the Selling Shareholder severally and not jointly, are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended (“SBO Rules”), to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

### ELIGIBILITY FOR THE OFFER

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than or equal to 25 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the Emerge Platform of NSE India. Our Company also complies with eligibility conditions laid by Emerge Platform of NSE India for listing of Equity Shares.

Each of the Selling Shareholders, severally and not jointly, confirms that it has held its respective portion of the Offered Shares, for a period of at least one year prior to the date of this Draft Red Herring Prospectus and accordingly the Equity Shares of face value of ₹10 each that will be offered by it in the Offer for Sale are eligible to be offered for sale in the Offer in terms of the SEBI ICDR Regulations.

#### We confirm that:

- i. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, we have not filed any Draft Red Herring Prospectus with SEBI nor has SEBI issued any observations on our Draft Red Herring Prospectus. Also, we shall ensure that our Book Running Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with Stock Exchange and the Registrar of Companies.
- ii. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Book Running Lead Manager to the Offer has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to the Chapter “**General Information**” beginning on page 74 of this Draft Red Herring Prospectus.
- iii. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the issue shall be greater than or equal to fifty (50), failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI (ICDR) Regulations, 2018 and other applicable laws. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the issue shall be greater than or equal to fifty (50) and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.
- iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, we here by confirm that we shall enter into an agreement with the Book Running Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of (3) three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see chapter titled “**General Information**” beginning on page 74 of this Draft Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on EMERGE Platform of NSE Limited which states as follows:

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE India Ltd (‘NSE EMERGE’), which are as under

**a. The issuer should be a Company incorporated Under Companies Act, 1956/2013.**

Our Company is incorporated under the Companies Act, 1956

**b. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company will be less than ₹ 25 crores.



**c. Track Record**

- **Our Company have a (combined) track record of at least 3 years.**

Our Company was incorporated on May 13, 1985 and has a track record of at least 3 years as on the date of filling of this Draft Red Herring Prospectus.

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Net Profit as per Restated Financial Statement	550.09	412.65	11.79

- **The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for atleast any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Cash Accruals as per Restated Financial Statement (EBITDA)	3,020.68	2,239.58	1,355.91
Net Worth as per Restated Financial Statement	3,812.25	3,282.87	2,670.02

- d. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN: INE0B3O01012

- e. Company shall mandatorily have a website.**

Our Company has a live and operational website – [www.mitrata.in](http://www.mitrata.in)

- f. The Company should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application**

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Cash flow from operating	1,140.75	(2,466.01)	(3,636.27)
Purchase of FA	(52.18)	(33.28)	(35.35)
Net Borrowings	2,301.90	3,726.15	4,144.24
Interest	(1,610.46)	(1,175.63)	(1,403.62)
<b>FCFE</b>	<b>1,780.01</b>	<b>51.23</b>	<b>(931.00)</b>

\* As certified by R Gopal & Associates, Chartered Accountant by way of their certificate dated September 03, 2024

**g. Other Listing Condition:**

- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company
- There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- There has been no change in the Promoters of the Company in preceding one year from the date of filing application to EMERGE Platform of NSE Limited ('NSE EMERGE') segment
- There is no material regulatory or disciplinary action taken by any stock exchange or regulatory authority in the past three year against our Company.
- There is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.



- vi. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, Promoters, companies promoted by the Promoters during the past three years.
- vii. There are no criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For further details please refer the chapter titled ***“Legal and Other Information”*** on page 266 of this Draft Red Herring Prospectus.
- viii. The applicant, Promoters, companies promoted by the Promoter litigation record, the nature of litigation, and status of litigation. For further details please refer the chapter titled ***“Legal and Other Information”*** on page 266 of this Draft Red Herring Prospectus.
- ix. There has been no track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of our Directors and its effect on the business of our Company, where all or any of the directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences.
- x. We have not been rejected by the Exchange in last 6 complete months.
- xi. There have been no instances of our BRLM to the Offer, where any of their IPO draft offer document filed with the NSE being returned in the past 6 months from the date filing of this DRHP.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the EMERGE Platform of NSE Limited (‘NSE EMERGE’).

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus will be filed with NSE and our Company will make an application to NSE for listing of its Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited. National Stock Exchange of India Limited is the Designated Stock Exchange
- Our Company has entered into an agreement dated October 23, 2019 with NSDL and agreement dated March 30, 2024 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialised form.
- The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue. For further details, please refer the chapter titled ***“Objects of the Offer”*** on page 102 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrowers.
- d) None of our Promoters or Directors is a fugitive economic offender.

## **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Issue.

### **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 03, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, DELHI, IN TERMS OF SECTION 26 OF THE COMPANIES ACT, 2013.**

### **DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website [www.mitrata.in](http://www.mitrata.in) would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriters, Selling Shareholders and our Company. All information shall be made available by our Company and the BRLM to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Book Running Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters, the Book Running Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

## **CAUTION**

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

## **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, AIFs state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Delhi, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with NSE India for its observations and NSE India will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

### **Disclaimer from the Selling Shareholders**

The Selling Shareholders accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.mitrata.in](http://www.mitrata.in), or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholders, their directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by the Selling Shareholders in relation to themselves as a Selling Shareholders and the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Selling

Shareholders and their directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

#### **Disclaimer Clause of RBI**

The Company has valid certificates of registration dated October 20, 2001 (pursuant to conversion to NBFC-MFI with effect from April 18, 2018) and February 25, 2019 issued by the RBI under Section 45IA of the RBI Act. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representation made or opinions expressed by the Company and for discharge of liability by the Company.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE INDIA**

As required, a copy of this Draft Red Herring Prospectus has been submitted to Emerge Platform of NSE India. The Disclaimer Clause as intimated by the NSE India to us, post scrutiny of this Draft Red Herring Prospectus will be produced by our Company in the Prospectus.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT.**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

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. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **LISTING**

Our company has obtained In-Principle approval from NSE India vide letter dated [●] to use name of NSE India in this offer document for listing of equity shares on Emerge Platform of NSE India, with which Basis of Allotment will be finalized.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-Principle approval from EMERGE Platform of NSE India. Application will be made to the EMERGE Platform of NSE India for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE India is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permission to deal in and for an official quotation of the Equity Shares on the EMERGE Platform of NSE India is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. Each of the Selling Shareholder confirms that it shall extend reasonable support and co-operation (to the extent of its portions of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within two Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If our Company does not Allot the Equity Shares within two Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

Other than the listing fees which will be borne solely by the Company, all Offer Expenses including, among other things, filing fees, book building fees and other charges, fees and expenses payable to the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the BRLM to the Company and the, fees and expenses of the statutory auditors (including the Statutory Auditors), registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and the Selling Shareholders in proportion to the number of Equity Shares issued and/or Offered Shares transferred by each of the Company and the Selling Shareholders in the Offer, respectively, except as may be prescribed by the SEBI or any other regulatory authority. All such payments shall be made by the Company in the first instance on behalf of the Selling Shareholders and the Selling Shareholders agrees that it shall reimburse the Company in proportion to the sale of its Offered Shares, for any expenses incurred by the Company on behalf of such Selling Shareholders. In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, subject to Applicable Law, all costs and expenses with respect to the Offer which may have accrued up to the date of such postponement, withdrawal, abandonment or failure shall be borne by the Company and Selling Shareholders in the manner mutually agreed between the Company and the Selling Shareholders. The Selling Shareholders agrees that it shall reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the Selling Shareholders directly from the Public Offer Account in the manner as may be set out in the Cash Escrow and Sponsor Bank Agreement.

## **CONSENTS**

The written consents of our Promoters, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Peer Reviewed Auditor, Legal Advisor to the Offer, Bankers to our Company, Book Running Lead Manager, Registrar to the Offer, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s R Gopal & Associates, Chartered Accountants, Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, Restated Financial Statements and statement of Tax Benefits dated August 05, 2024 and September 03, 2024, respectively, which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

## **Impersonation**

Attention of the Applicants 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 ₹10.00 Lakhs 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 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 ₹50.00 Lakhs or with both.

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Book Running Lead Manager at [www.fedsec.in](http://www.fedsec.in)

### Annexure A

#### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
<b>MAINBOARD IPOs</b>								
1.	Mukka Proteins Limited	224.00	28.00	March 07, 2024	40.00	35.54% 0.09%	11.07% (2.71) %	65.25% 12.38%
<b>SME IPOs</b>								
1.	IBL Finance Limited	33.40	51	January 16, 2024	56.00	22.35% (0.87%)	1.67% 1.09%	3.14% 11.59%
2.	Docmode Health Technologies Limited	6.71	79	February 02, 2024	190.25	162.03% 2.52%	230.82% 3.64%	26.58% 13.74%
3.	Baweja Studios Limited	97.20	180.00	February 06, 2024	183.00	23.94% 2.48%	(44.81%) 2.25%	(47.39%) 9.70%
4.	Polysil Irrigation Systems Limited	17.43	54.00	February 16, 2024	56.00	(35.63%) 0.07%	(32.31%) 0.73%	(40.74%) 9.52%
5.	Deem Roll-Tech Limited	29.26	129.00	February 27, 2024	200.00	(29.15%) (0.34%)	(15.31%) 3.31%	(14.38%) 12.67%
6.	Gconnect Logitech and Supply Chain Ltd	5.60	40.00	April 03, 2024	42.00	(11.30%) 0.99%	83.75% 7.58%	Not Applicable
7.	Vruddhi Engineering Works Ltd	4.76	70.00	April 03, 2024	71.00	99.71% 0.99%	344.14% 7.58%	Not Applicable
8.	Finelistings Technologies Limited	13.53	123.00	May 14, 2024	127	(52.89) % 4.79 %	(58.14%) 8.95%	Not Applicable
9.	Magenta Lifecare Limited	7.00	35.00	June 12, 2024	45	15.26% 4.30%	Not Applicable	Not Applicable

10.	Broach Lifecare Hospital Limited	4.02	25.00	August 21, 2024	47.50	Not Applicable	Not Applicable	Not Applicable
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Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**Note:**

- Opening price information as disclosed on the website of the Designated Stock Exchange.
- Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
- For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
- This disclosure is restricted to last 10 issues handled by the Book Running Lead Manager.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> 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%
2020-21	**5	153.99	1	-	2	1	-	1	1	1	-	-	1	2
2021-22	***7	131.26	-	1	1	1	2	2	-	-	3	3	-	1
2022-23	****14	541.52	-	4	3	3	3	1	-	1	2	3	3	6
2023-24	#5	34.91	1	-	1	1	-	1	-	-	-	-	-	-

\*\* The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited, Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

\*\*\* The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited, Tapi Fruit Processing Limited, Moxsh Overseas Educon Limited & Lead Reclaim and Rubber Products Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022, September 22, 2022, December 30, 2022 & February 21, 2023, respectively.

\*\*\*\* The scripts of Pattech Fitwell Tube Components Limited, Yasons Chemex Care Limited, Pramara Promotions Limited, Kundan Edifice Limited, Oneclick Logistics India Limited, Sharp Chucks and Machines Limited, Committed Cargo Care Limited, KK shah Hospitals, Deem Roll-Tech Limited & Mukka Proteins Limited were listed on April 21, 2023, August 03, 2023, September 13, 2023, September 26, 2023, October 11, 2023 and October 12, 2023, October 18, 2023, November 6, 2023, February 27, 2024 & March 07, 2024, respectively.

# The scripts of Gconnect Logitech and Supply Chain Limited & Vriddhi Engineering Works Limited were listed on April 03, 2024, and have not completed 180 calendar days. The script of Finelistings Technologies Limited was listed on May 14, 2024, and have not completed 180 calendar days. The script of Magenta Lifecare Limited was listed on June 12, 2024 and have not completed 90 days. The script of Broach Lifecare Hospital Limited was listed on August 21, 2024 and has not completed 30 days.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

**EXPERT OPINION**

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

(a) Peer Review Auditors' reports dated August 05, 2024, on the Restated Financial Statements by R Gopal & Associates, Chartered Accountants.

(b) Statement of Tax Benefits dated September 03, 2024 by R Gopal & Associates, Chartered Accountants.

(c) Our Company has received written consent dated August 08, 2024 from SNK Associates, to include their name as the independent practicing company secretary and as an “expert” as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

**Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 84, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, none of our group companies, subsidiaries or associate companies have any equity listed on any stock exchange.

Further, the equity shares of our Group Companies are not listed on any stock exchange.

Additionally, our Group Companies have not undertaken any capital issues (public, rights or composite) in the three immediately preceding years in respect of such debt securities

**PREVIOUS PUBLIC OR RIGHTS ISSUE**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 84 of this Draft Red Herring Prospectus, we have not made any previous rights and / or public issues during the last Five (5) years and are an “Unlisted Issuer” in terms of SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

**COMMISSION OR BROKERAGE**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

**CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY**

Except as disclosed in Chapter titled “*Capital Structure*” on page 84 of this Draft Red Herring Prospectus our Company has not made any capital issue during the previous three (3) years.

Further, Our Company do not have any listed group Companies/ Subsidiaries / Associates.

**PERFORMANCE VIS-À-VIS objects;**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 84 of this Draft Red Herring Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies have their equity shares listed on any stock exchange.

**STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

**MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.



Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non-allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

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 where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. 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

Scenario	Compensation amount	Compensation period
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager 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 Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Our Company, the LM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Offer, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Offer will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain authentication on the SEBI SCORES platform and will comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on June 10, 2024. For further details, please refer the chapter titled ***“Our Management”*** beginning on page 182 of this Draft Red Herring Prospectus.

Our Company has also appointed Shalu Gupta as the Company Secretary and Compliance Officer of our Company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

#### **MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED**

Office No. 223, 2nd Floor,

Vardhman Dwarka Dheesh, Plot No 3,

Sec-10, Dwarka, New Delhi-110075.

**Tel No:** +91 11 4507 3550

**Email:** [compliance@mitrata.in](mailto:compliance@mitrata.in)

**Website:** [www.mitrata.in](http://www.mitrata.in)

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

Our Company has not sought nor applied for any exemption from SEBI from complying with any provisions of securities laws, as on the date of the Draft Red Herring Prospectus.

## SECTION VIII - ISSUE INFORMATION

### TERMS OF OFFER

*The Equity Shares being issued are subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### Authority for the Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on August 06, 2024.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, see “**Main Provisions of the Articles of Association**” on page 345.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, regulations or guidelines as may be issued by the Government of India in this respect and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, see “**Dividend Policy**” and “**Main Provisions of the Articles of Association**” on page 202 and 345, respectively.

#### Face Value and Issue Price

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“**Cap Price**”). The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “**Basis for Offer Price**” on page 107.

The Offer Price, Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Delhi, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the

Book Running Lead Managers, after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

### **ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Compliance with the Disclosure and Accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Delhi & Haryana India

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI (LODR), 2015 and the Memorandum and Articles of Association of the Company

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see “*Main Provisions of the Articles of Association*” on page 345.

### **Allotment of Equity Shares in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated October 23, 2019.
- Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated March 30, 2024.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares of ₹10/- each and the same may be modified by the NSE EMERGE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares of ₹10/- each subject to a minimum allotment of [●] Equity Shares of ₹10/- each to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

### Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue. 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.

### Jurisdiction

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in Delhi, India.

The Equity Shares 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.

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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to the Investor

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the Registrar and Transfer agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the 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 ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time

### Period of Operation of Subscription List of Public Issue

EVENTS	INDICATIVE DATES
BID/ISSUE OPENING DATE	[●]
BID/ISSUE CLOSING DATE	[●]
FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE (T+1)	On or about [●]
INITIATION OF ALLOTMENT / REFUNDS / UNBLOCKING OF FUNDS	On or about [●]

<b>FROM ASBA ACCOUNT OR UPI ID LINKED BANK ACCOUNT* (T+2)</b>	
<b>CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES (T+2)</b>	On or about [●]
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE (T+3)</b>	On or about [●]

*UPI mandate end time and date shall be at 5.00 p.m on Bid/Issue Closing Date*

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

*Note 2: Our Company in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the Bidder. The BRLM 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 circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022 shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022. The processing fees for applications made by UPI Applicants may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022*

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

**The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. 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 severally and not jointly, confirms 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/Issue Closing Date, or within such other period as may be prescribed.**

SEBI vide Circular No: SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings (“IPO”). The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Issue will be made under UPI Phase III on mandatory basis, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI Circular No: SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three (3) Working Days from the Bid/Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.



Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect

**Submission of Bids (other than Bids from Anchor Investors)**

<b>Bid/ Issue Period (except the Bid/Issue Closing Date) *</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5:00 p.m. IST
<b>Bid/Issue Closing Date</b>	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) for RIBs	Only between 10.00 a.m. and up to 5:00 p.m. IST
Submission of electronic applications (Bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4:00 p.m. IST
Submission of electronic applications (Syndicate Non-Retail, Non-Individual applications)	Only between 10.00 a.m. and up to 3:00 p.m. IST
Submission of physical applications	Only between 10.00 a.m. and up to 1:00 p.m. IST
Submission of physical applications (Syndicate Non-Retail, Non-Individual applications where Bid amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12:00 p.m. IST
<b>Modification / Revision / Cancellation of Bids</b>	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories <sup>#</sup>	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10:00 a.m. and up to 5:00 p.m. IST

*\*UPI mandate end time shall be 5:00 p.m. on the Bid/Issue Closing Date.*

*#QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/ withdraw their Bids*

**On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis, as per the format prescribed in March 2021 Circular and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

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

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date, and in any case, no later than 1:00 p.m. IST on the Bid/Issue Closing Date. Any reference to a particular time mentioned in this Draft Red Herring Prospectus is a reference to IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Issue. Bids and any revision to



the Bids will be accepted only during Working Days, during the Bid/ Issue Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/ Issue 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/Issue Period till 5.00 p.m. on the Bid/ Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of one working day, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of underwriters if any, in accordance with applicable laws, or if the subscription level falls below the thresholds mentioned above after the Bid/Issue Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares being offered in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond the prescribed time, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI Master Circular

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty) 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.

Each Selling Shareholder shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by such Selling Shareholder in the Offer, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder in relation to its portion of the Offered Shares.

No liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation

to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, see “**General Information - Underwriting**” on page 74. Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **Arrangements for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity shares of ₹10/- each in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE.

#### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Applicants will only be in the dematerialized form. Applicants 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. However, Allottees may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

#### **Withdrawal of the Issue**

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders, And shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 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 BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with 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 (ii) the filing of the Prospectus with the RoC.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters’ minimum contribution and the Anchor Investor lock-in as provided under the chapter titled “Capital Structure” on page 84 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “**Main Provisions of the Articles of Association**” on page 345.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which*

*may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **Pre-Issue Advertisement:**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

#### **Market Making**

The shares issued and transferred through this Issue are proposed to be listed on the Emerge Platform of NSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE. For further details of the market making arrangement see “**General Information**” on page 74.

#### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

#### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE Limited at a later date subject to the following:

- a. If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in- principal approval from the main board), our Company shall apply to NSE Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b. If the paid-up Capital of our Company is more than ₹ 10 Crores but below ₹ 25 Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company desiring to migrate to the Main board from the SME Board within three years of listing on Emerge platform of NSE has to fulfil following conditions:

- a. The increase in post issue face value capital beyond ₹ 25 crore should arise only because of merger/acquisition or for expansion purposes.
- b. The Company should have a minimum turnover of ₹ 100 crore as per last audited financials and market capitalization of ₹ 100 crore.
- c. The Company should have a minimum profit before tax of ₹ 10 crore for two years out of three preceding years.
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital is more than or equal to ₹ 25 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the EMERGE Platform of NSE Limited). For further details regarding the salient features and terms of such an issue please refer to the chapters titled “*Terms of Offer*” and “*Offer Procedure*” beginning on pages 298 and 309 respectively of this Draft Red Herring Prospectus.

This Offer comprise of upto 72,00,000 Equity Shares of Face Value of ₹ 10 each fully paid (The “Equity Shares”) for cash at a price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share) aggregating to [●] Lakhs (“the Offer”) comprising a Fresh Issue of upto 65,07,571 Equity Shares aggregating upto ₹ [●] Lakhs by our Company and an Offer for Sale of upto 6,92,429 Equity Shares divided into up to 6,00,000 Equity Shares by Farah Siddiqui and up to 92,429 Equity Shares by Prakash Layak. The Offer includes a reservation of up to [●] equity shares aggregating up to ₹ [●] Lakhs for subscription by Market Maker (“Market Maker Reservation Portion”). The Offer less the Market Maker Reservation Portion is hereinafter referred to as the “Net Offer”. The Offer and the Net Offer will constitute [●] % and [●] % respectively of the post Offer paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process <sup>(1)</sup>:

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	[●] Equity Share of ₹10/- each	[●] Equity Shares of ₹10/- each	[●] Equity Shares of ₹10/- each	[●] Equity Shares of ₹10/- each
Percentage of issue size available for allocation	[●] of the issue size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) may 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 QIB Portion. (excluding the Anchor Investor Portion) The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment <sup>(3)</sup>	Firm Allotment	Proportionate as follows: (excluding the Anchor Investor Portion): Up to [●] Equity Shares of ₹10/- each shall be available for allocation on a proportionate basis to Mutual Funds only; and Up to [●] Equity Shares of ₹10/- each shall be	Proportionate	Proportionate

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
		available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares of ₹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 Mutual Funds at or above the Anchor Investor Allocation Price.		
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares of ₹10/- each in multiple of [●] Equity shares of ₹10/- each	Such number of Equity Shares and in multiples of [●] Equity Shares of ₹10/- each that the Bid Amount exceeds ₹ 200,000	Such number of Equity shares in multiple of [●] Equity shares of ₹10/- each that Bid size exceeds ₹ 2,00,000	[●] Equity Shares in multiple of [●] Equity shares of ₹10/- each so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares of ₹10/- each	Such number of Equity Shares in multiples of [●] Equity Shares of ₹10/- each not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares of ₹10/- each not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares of ₹10/- each so that the Bid Amount does not exceed ₹ 2,00,000
Trading Lot	[●] Equity Shares of ₹10/- each, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares of ₹10/- each and in multiples thereof	[●] Equity Shares of ₹10/- each and in multiples thereof	[●] Equity Shares of ₹10/- each
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process			

Assuming full subscription in the Issue.

- (1) SEBI vide its Circular No: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and NSE vide its Circular No: 25/2022 dated August 3, 2022 has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investors' bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NIB and RIB 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.

- (2) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the 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.*
- (3) *Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, Selling Shareholders their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- (4) *This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*
- (5) *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*
- (6) *Subject to valid Bids being received at or above the issue price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*
- (7) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 477 dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIB and RIB 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.*

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled “Offer Procedure” beginning on page 309 of this Draft Red Herring Prospectus.*

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Master Circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue especially in relation to the process for Bids by UPI Bidders through UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this chapter.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund (xiii) disposal of applications and electronic registration of Bids. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI Master Circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI Master Circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. Please note that the information stated/covered in this chapter may not be complete and/or accurate and as such would be subject to modification/change.

Further, our Company, and the BRLM are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Applicants 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 Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring

Prospectus, Red Herring Prospectus and the Prospectus. The BRLM shall be the nodal entity for any issues arising out of public issuance process. Our Company, and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

This chapter applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.

### **Phased implementation of Unified Payments Interface**

**Bidders must ensure that their PAN is linked with Aadhaar ID and are in compliance with CBDT notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.**

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

**However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws. Phased implementation of UPI**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the "UPI Circulars") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through 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 Mechanism, the UPI Circular proposes to introduce and implement 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 until June 30, 2019. Under this phase, a RIB also had the option to submit the ASBA Form with any of the Designated Intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

#### ***Phase II:***

This phase had become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by a RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

#### ***Phase III:***

This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars



prescribed by SEBI and applicable law. Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint SCSBs as a sponsor bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Applicants using UPI.

The processing fees for applications made by UPI Applicants may be released to the SCSBs only after such banks provide a written confirmation on compliance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. NPCI vide circular reference no. NPCI/UIP/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹2 Lakhs to ₹5 Lakhs for UPI based ASBA in initial public offerings. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“UPI Streamlining Circular”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

*This Issue is being made under Phase III of the UPI (on a mandatory basis). The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and book running lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, in accordance with the SEBI Master Circular, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide the SEBI Master Circular, has reduced the timelines for refund of Application money to four days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholders and the BRLMs, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Further, our Company, the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

### **Book Building Procedure**

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253(1) of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form.

The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

### **Availability of Prospectus and Application Forms**

Copies of the Application Form and the Draft Red Herring Prospectus / Draft Prospectus/ Red Herring Prospectus / Prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus / Draft Prospectus/ Red Herring Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (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 Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	[●]
Anchor Investors**	[●]

*Note: Electronic Bid Cum Application Forms will also be available for download on the website of the NSE (www.nseindia.com).*

*\*\*Bid cum application for Anchor Investor shall be made available at the office of the BRLM.*

**Note:**

Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.

The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.

Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.

The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

Electronic Bid Cum Application Forms will also be available for download on the website of the NSE (www.nseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar has been extended to June 30, 2023. Applicants should note that the Equity Shares will be Allotted to all successful Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. The Bid cum Application Forms which do not have the details of the Applicants' depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid-Cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate the UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the Bankers to the Offer) 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 Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm IST on the Bid/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.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
- b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
- c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE Limited, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

All Applicants (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Applicants shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms

not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Applicants may submit the ASBA Form in the manner below:

RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Issue through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the Book Running Lead Manager. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

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 Applicants Bidding using the UPI Mechanism) to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Applicants, 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 Applicants for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Applicants, 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 Applicants 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 Issue shall provide the audit trail to the BRLM for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. In accordance with NSE circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Applicants with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("Cut-Off Time"). Accordingly, UPI Applicants 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 BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis. The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Issue Bidding process.

Participation by Promoter, Promoter Group, the BRLM associates and affiliates of the BRLM and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLM and the Syndicate Members and Bids by Anchor Investors the BRLM and the Syndicate Members shall not be allowed to purchase/subscribe the Equity Shares in any manner, except

towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may purchase/subscribe to the Equity Shares in the Issue, either in the QIB Portioner in the Non-Institutional Portion as may be applicable to such Applicants, 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 BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLM or insurance companies promoted by entities or pension funds sponsored by entities which are associates of the BRLM, no BRLM or their respective associates can apply in the Issue under the Anchor Investor Portion.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Issue 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 members 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 the Promoter or Promoter Group of our Company

#### **Availability of Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares 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, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws.

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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Who Can Apply?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Multilateral and bilateral development financial institution;
19. Eligible QFIs;
20. Insurance funds set up and managed by army, navy or air force of the Union of India;
21. Insurance funds set up and managed by the Department of Posts, India;
22. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Application Not to Be Made By:**

1. Minors (except through their Guardians);
2. Partnership firms or their nominations;
3. Foreign Nationals (except NRIs); and
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

## **Maximum and Minimum Application Size**

### **For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares of ₹10/- each and in multiples of [●] Equity Shares of ₹10/- each thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

### **For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares of ₹10/- each thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

### **Participation by associates/affiliates of Book Running Lead Manager**

The Book Running Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialized subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guideline.

### **Method of Bidding Process**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●], and in regional language where the registered office of the Company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions [●], an English national daily newspaper and all editions [●], a Hindi national daily newspaper, (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.

During the Bid/Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Draft Red Herring Prospectus. ASBA Bidders



should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.

Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build-up of the Book and Revision of Bids”.

Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in ***“Escrow Mechanism - Terms of payment and payment into the Escrow Accounts”*** in the chapter ***“Offer Procedure”*** on page 309.

Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Bids at Different Price Levels and Revision of Bids**

Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI ICDR Regulations, provided that (i) the Cap Price will be less than or equal to 120% of the Floor Price, (ii) the Cap Price will be at least 105% of the Floor Price, and (iii) the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders.

#### **BIDS BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS**

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF 's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bid cum Applications from individuals.

#### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 Lakhs

One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.

Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.

where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and

where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.

Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.

Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.

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

The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

The information set out above is given for the benefit of the Bidders. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus. The Selling Shareholders shall not be liable for any amendments or modifications or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus.

### **Bids by Eligible NRI'S**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% 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, on a repatriation or non- repatriation basis, 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 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see *“Restrictions on Foreign Ownership of Indian Securities”* on page 344. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

## **BIDS BY FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of the post-Issue paid-up capital.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

If the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, in terms of the FEMA Rules, 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 51%).

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying asset) directly or indirectly, only if it complies with the following conditions: (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it is subject to, inter alia, the following conditions:

such offshore derivative instruments are transferred to persons subject to fulfilment of the criteria provided under the SEBI FPI Regulations; and

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 to, are pre-approved by the FPI.

Further, Bids received from FPIs bearing the same PAN will 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 (such structure “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. Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

FPIs which utilise the multi investment manager (“MIM”) structure

Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments

Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration

FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager

Multiple branches in different jurisdictions of foreign bank registered as FPIs

Government and Government related investors registered as Category 1 FPIs; and

Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents (in [●] colour). For details of restrictions on investment by NRIs, please refer to chapter titled ***“Restrictions on Foreign Ownership of Indian Securities”*** on page 344.

#### **BIDS BY SEBI REGISTERED AIFs, VCFs and FVCIs**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up.

Subject to compliance with applicable law and investment restrictions, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, FVCIs and VCF's can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. AIFs which are authorised under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules. Further, VCFs, Category I AIFs or Category II AIFs and FVCIs holding Equity Shares of the Company, shall be exempt from lock-in requirements, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of Category I or II or foreign venture capital investor.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs, and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be

attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 Lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 Lakhs or more but less than ₹ 25,000,000 Lakhs.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **BIDS BY PROVIDENT FUNDS/ PENSION FUNDS:**

In case of Bids made by provident funds/pension funds, with minimum corpus of ₹ 2,500 Lakhs, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant

certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, please refer to chapter titled *“Key Industry Regulations and Policies”* on page 167.

### **BIDS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●] IPO – Anchor Account- R”
- b. In case of Non-Resident Anchor Investors: “[●] IPO – Anchor Account- NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.

The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,

- i) the applications accepted by them,



- ii) the applications uploaded by them
- iii) the applications accepted but not uploaded by them or

With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,

- i) The applications accepted by any Designated Intermediaries
- ii) The applications uploaded by any Designated Intermediaries or
- iii) The applications accepted but not uploaded by any Designated Intermediaries

The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:

- 1) Name of the Bidder;
- 2) IPO Name;
- 3) Bid Cum Application Form Number;
- 4) Investor Category;
- 5) PAN (of First Bidder, if more than one Bidder);
- 6) DP ID of the demat account of the Bidder;
- 7) Client Identification Number of the demat account of the Bidder;
- 8) Number of Equity Shares Applied for;
- 9) Bank Account details;
- 10) Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- 11) Bank account number.

In case of submission of the Application by Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.

The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant,

certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Build of the Book**

Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.

Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

### **Withdrawal of Bids**

RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.

The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.

In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

Allocation to Anchor Investor shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of

five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

## **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILLING**

### **Signing of the Underwriting Agreement and Filing with the RoC**

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.

(b) After signing the Underwriting Agreement, a Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares of face value of ₹10 each shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the 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 Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares of face value of ₹10 each will be listed or will continue to be listed on the Stock Exchanges.

## **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation.

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The 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.

## **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## GENERAL INSTRUCTIONS

### 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 should submit their Bids through the ASBA process only;
- b) Ensure that you have Bid within the Price Band;
- c) Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
- d) Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
- e) 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;
- f) 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 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;
- g) Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM
- h) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
- i) If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- j) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- k) Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
- l) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
- m) RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- n) Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable
- o) Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- p) Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
- q) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for

transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

- r) Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
- s) Ensure that the Demographic Details are updated, true and correct in all respects;
- t) 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;
- u) Ensure that the category and the investor status is indicated;
- v) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
- w) Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
- x) Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- y) Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
- z) RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
- aa) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
- bb) RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
- cc) Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
- dd) 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.
- ee) Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the non-institutional category for allocation in the Offer

- ff) UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form.
- gg) Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)).
- hh) Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner.
- ii) UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.
- jj) 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 Lot;
- b) Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
- c) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- d) Do not Bid for a Bid Amount exceeding ₹2,00,000 (for Bids by Retail Individual Bidders);
- e) Do not Bid on another Bid cum Application Form as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
- f) Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres
- g) Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
- h) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- i) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- j) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- k) Do not submit the Bid for an amount more than funds available in your ASBA account.
- l) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
- m) In case of ASBA Bidders (other than UPI Bidders using the UPI Mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
- n) Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders using the UPI Mechanism, in the UPI linked bank account where funds for making the Bid are available
- o) If you are a UPI Bidder and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
- p) Anchor Investors should not Bid through the ASBA process;

- q) Do not submit the Bid cum Application Form to any non-SCSB or our Company.
- r) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- s) Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- t) Do not submit the General Index Register (GIR) number instead of the PAN;
- u) Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details (if you are a UPI Bidder Bidding through the UPI Mechanism). Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
- 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 Bid for Equity Shares more than what is specified for each category;
- y) Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
- z) Do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
- aa) If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Issue Closing Date; (for online applications) and after 12:00 p.m. on the Bid/ Issue Closing Date (for Physical Applications);;
- bb) Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- cc) Do not Bid for Equity Shares in excess of what is specified for each category;
- dd) In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5,00,000;
- ee) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
- ff) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Issue Closing Date;
- gg) Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder using the UPI Mechanism, do not submit the ASBA Form directly with the SCSBs;
- hh) If you are a UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
- ii) Do not Bid if you are an OCB;
- jj) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
- kk) Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
- ll) Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism); and
- mm) UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.
- nn) Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account.

- oo) The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
- pp) Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
- qq) Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);
- rr) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and
- ss) In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see “**General Information**” and “**Our Management**” on page 74 and 182, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “**General Information**” on page 74.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid -cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, 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 RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
- e) Bids under the UPI Mechanism submitted by RIBs 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);
- f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Manager;
- 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 ₹ 2,00,000;
- o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- p) Bids accompanied by stock invest, money order, postal order or cash; and
- q) Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange. 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. Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “**General Information**” on page 74.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM 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 circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLM 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.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **BASIS OF ALLOCATION**

The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### **For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of ₹10/- each at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of ₹10/- each at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Share of ₹10/- each and in multiples of [●] Equity Shares of ₹10/- each thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of ₹10/- each at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of ₹10/- each at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of ₹10/- each and in multiples of [●] Equity Shares of ₹10/- each thereafter. For the method of proportionate Basis of Allotment refer below.

#### **For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:

In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.

In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

In the second instance Allotment to all QIBs shall be determined as follows:

In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares of ₹10/- each thereafter for [●] % of the QIB Portion.

Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares of ₹10/- each thereafter, along with other QIB Bidders.

Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of ₹10/- each.

#### **Payment into Anchor Investor Escrow Accounts**

Our Company in consultation with the BRLM will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: “[●]”

(b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

#### **Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).

The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

For Bids where the proportionate allotment works out to less than [●] equity shares of ₹10/- each the allotment will be made as follows:

Each successful Bidder shall be allotted [●] equity shares; and

The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares of ₹10/-, subject to a minimum allotment of [●] equity shares.

If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after

such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares of ₹10/- each, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the stock exchange.

The Executive Director / Managing Director of the Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the Designated Stock Exchange.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of two working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and

### **SHARE TRANSFER AGENT AND DEPOSITORY**

Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com)

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

<b>MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED</b> Office No. 223, 2nd Floor, Vardhman Dwarka Dheesh, Plot No 3, Sec-10, Dwarka, New Delhi-110075. <b>Tel No:</b> +91 11 4507 3550 <b>Email:</b> <a href="mailto:compliance@mitrata.in">compliance@mitrata.in</a> <b>Website:</b> <a href="http://www.mitrata.in">www.mitrata.in</a>	<b>LINK INTIME INDIA PRIVATE LIMITED</b> C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India <b>Tel No:</b> +91 8108114949 <b>E-mail Id:</b> <a href="mailto:mitrata.ipo@linkintime.co.in">mitrata.ipo@linkintime.co.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mitrata.ipo@linkintime.co.in">mitrata.ipo@linkintime.co.in</a> <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration Number:</b> INR000004058
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### **DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) working days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares of ₹10/- each the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares of ₹10/- each; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares of ₹10/- each, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares of ₹10/- each subject to a minimum allotment of [●] equity shares of ₹10/- each.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

**Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Delhi, where our Registered Office is located) each with wide circulation**

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.

- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

**Process for generating list of allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5<sup>th</sup> application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our Company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the Stock Exchange in addition to Book Running Lead Manager and Registrar to the Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

**The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

**IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- Lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

**UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three (3) Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.
- no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees

#### **Undertakings by the Selling Shareholders**

Each Selling Shareholder severally and not jointly, in respect of itself as a Selling Shareholder and its portion of the Equity Shares offered by it in the Offer, undertakes the following in respect of itself and its respective portion of the Offered Shares:

- its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8A of the SEBI ICDR Regulations;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the respective portion of the Offered Shares;
- it is the legal and beneficial owner of the Offered Shares that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances; and
- it shall not have recourse to the proceeds of the Offer, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

The statements and undertakings provided above, in relation to the Selling Shareholders, are statements which are specifically confirmed or undertaken by the Selling Shareholders in relation to themselves and their respective portion of Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.



## **UTILIZATION OF OFFER PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
  - details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on October 23, 2019.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on March 30, 2024.
- c) The Company's Equity shares bear an ISIN: INE0B3O01012.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## 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 FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Under the current FDI Policy, 100% foreign direct investment is permitted under the automatic route for NBFCs, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Offer Procedure*” on page 309.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered 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, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.

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

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES) ARTICLES OF ASSOCIATION OF

#### MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED\*\*

*\*\*board has approved the conversion of company from Private ltd to Public ltd. in their meeting held on 05.02.2024 and approved by shareholders vide EGM dated 09.02.2024.*

The Articles of Association (“Articles”) of MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED (“Company”) comprises of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to Applicable Law (as defined below), prevail and be applicable. However, Part B shall automatically terminate and cease to have any force and effect from the date of filing of the red herring prospectus with the registrar of companies for the initial public offering of the equity shares of the Company, without any further corporate or other action by the Company or by the shareholders	
<b>PART A</b>	
<b>OVERRIDING EFFECT</b>	
Regulations contained in Table ‘F’ in First Schedule to the Companies Act, 2013, to the extent applicable, shall apply to the Company so far only as they are not inconsistent with any of the provisions contained in these Articles. In the event of any inconsistency between the provisions of these Articles and the Companies Act, 2013, the provisions of the Companies Act, 2013 shall prevail, unless the Companies Act, 2013 itself permits these Articles to prevail or to have different or more stringent requirements than those of the Companies Act, 2013	
<b>Interpretation</b>	
(1)	In these regulations— “the Act” means the Companies Act, 2013, “the seal” means the common seal of the company.
(2)	Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
<b>Share capital and variation of rights</b>	
1.	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.	
(i)	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, — (a) one certificate for all his shares without payment of any charges; or several certificates, each for one or more of his shares, upon payment of twentyrupees for each certificate after the first.
(ii)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
(iii)	In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3.	
(i)	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company

	and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
(ii)	The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4.	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
(i)	The company may exercise the powers of paying commissions conferred by sub- section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
(ii)	The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub- section (6) of section 40.
(iii)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6.	
(i)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
(ii)	To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
8.	Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
9.	
(i)	The company shall have a first and paramount lien— (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
(ii)	The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10.	The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11.	
(i)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
(ii)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
(iii)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
12.	
(i)	The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
<b>13.</b>	
(i)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
(ii)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
(iii)	A call may be revoked or postponed at the discretion of the Board.
<b>14.</b>	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
<b>15.</b>	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
<b>16.</b>	
(i)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
(ii)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
<b>17.</b>	
(i)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
(ii)	In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
<b>18.</b>	The Board— (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (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 not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.
<b>Transfer of shares</b>	
<b>19.</b>	
(i)	The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
(ii)	The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
<b>20.</b>	The Board may, subject to the right of appeal conferred by section 58 decline to register— (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the company has a lien.
<b>21.</b>	The Board may decline to recognise any instrument of transfer unless— (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.
<b>22.</b>	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
<b>23.</b>	<b>Transmission of shares</b>
(i)	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii)	Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
<b>24.</b>	
(i)	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.
(ii)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
<b>25.</b>	
(i)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
(ii)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
(iii)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
<b>26.</b>	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
<b>Forfeiture of shares</b>	
<b>27.</b>	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
<b>28.</b>	The notice aforesaid shall— (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
<b>29.</b>	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.
<b>30.</b>	
(i)	A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(ii)	At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
<b>31.</b>	
(i)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
(ii)	The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
<b>32.</b>	
(i)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
(ii)	The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
(iii)	The transferee shall thereupon be registered as the holder of the share; and

(iv)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33.	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
<b>Alteration of capital</b>	
34.	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35.	Subject to the provisions of section 61, the company may, by ordinary resolution, — (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36.	Where shares are converted into stock, — (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37.	The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, — (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.
<b>Capitalisation of profits</b>	
38.	
(i)	The company in general meeting may, upon the recommendation of the Board, resolve— (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
(ii)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards— (A) paying up any amounts for the time being unpaid on any shares held by such members respectively; (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39.	
(i)	Whenever such a resolution as aforesaid shall have been passed, the Board shall— (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

	(b) generally do all acts and things required to give effect thereto.
(ii)	The Board shall have power— (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
(iii)	Any agreement made under such authority shall be effective and binding on such members.
<b>Buy-back of shares</b>	
40.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
<b>General meetings</b>	
41.	All general meetings other than annual general meeting shall be called extraordinary general meeting.
42.	
(i)	The Board may, whenever it thinks fit, call an extraordinary general meeting.
(ii)	If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
<b>Proceedings at general meetings</b>	
43.	
(i)	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business
(ii)	Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103
44.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company
45.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting
46.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting
<b>Adjournment of meeting</b>	
47.	
(i)	The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place
(ii)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place
(iii)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting
(iv)	Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting
<b>Voting rights</b>	
48.	Subject to any rights or restrictions for the time being attached to any class or classes of shares, — (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company
49.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once
50.	
(i)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders
(ii)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members



51.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy
52.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll
53.	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
54.	
(i)	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes
(ii)	Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive
55.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid
56.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used
<b>Board of Directors</b>	
58.	The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them
59.	
(i)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day
(ii)	In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company
60.	The Board may pay all expenses incurred in getting up and registering the company
61.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register
62.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine
63.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose
64.	
(i)	Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles
(ii)	Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act
(iii)	Notwithstanding anything to the contrary contained in these Articles, so long as any money shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities or through Debenture Trustees or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid entities in respect of any financial obligation or commitment of the Company remains outstanding in terms of payment of interest or repayment of principal amount, then in that event any of the said financial institutions or Debenture Trustees or such other financing entities shall, subject to an agreement in that behalf between it and the

	<p>Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company in accordance with the applicable laws. The aforesaid financial institutions or Debenture Trustees or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he or she is a member and he or she and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings in accordance with the applicable laws.</p> <p><i>*This clause has been amended by Board of Directors in their meeting held on 15.09.2023 and approved by shareholders vide AGM dated 23.09.2023</i></p>
<b>65.</b>	
<b>(i)</b>	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit
<b>(ii)</b>	A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board
<b>66.</b>	
<b>(i)</b>	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes
<b>(ii)</b>	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote
<b>67.</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose
<b>68.</b>	
<b>(i)</b>	The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office
<b>(ii)</b>	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting
<b>69.</b>	
<b>(i)</b>	The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit
<b>(ii)</b>	Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board
<b>70.</b>	
<b>(i)</b>	A committee may elect a Chairperson of its meetings
<b>(ii)</b>	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting
<b>71.</b>	
<b>(i)</b>	A committee may meet and adjourn as it thinks fit
<b>(ii)</b>	Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote
<b>72.</b>	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director
<b>73.</b>	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held
<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
<b>74.</b>	
<b>(i)</b>	A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer,

	manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
(ii)	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer
<b>The Seal</b>	
76.	
(i)	The Board shall provide for the safe custody of the seal
(ii)	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence
<b>Dividends and Reserve</b>	
77.	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board
78.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company
79.	
(i)	The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit
(ii)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve
80.	
(i)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
(ii)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
(iii)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
81.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82.	
(i)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
(ii)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85.	No dividend shall bear interest against the company.
<b>Accounts</b>	
86.	

(i)	The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
(ii)	No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
<b>Winding up</b>	
<b>87.</b>	
(i)	If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
(ii)	For the purpose aforesaid, the liquidator may set such value as 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.
(iii)	The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
<b>Indemnity</b>	
<b>88.</b>	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

<b>PART B</b>	
<b>OVERRIDING EFFECT</b>	
<p><b>Notwithstanding anything contained in these Articles:</b></p> <p><b>All actions under these Articles shall be carried on in abidance with Applicable Laws. In the event of any inconsistency between the provisions of these Articles and the Act, the provisions of the Act shall prevail, unless the Act itself permits these Articles to prevail or to have different or more stringent requirements than those of the Act. In the event of any inconsistency between Part A and Part B of these Articles, the provisions of this Part B shall prevail.</b></p>	
<b>Interpretation</b>	
<b>I.</b>	(1) In these regulations— (a) “the Act” means the Companies Act, 2013, (b) “the seal” means the common seal of the company.
	(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
<b>Share capital and variation of rights</b>	
<b>II.</b>	
<b>1.</b>	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time-to-time think fit.
<b>2.</b>	<p>(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, —</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>

3.	<p>(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p>
4.	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5.	<p>(i) The company may exercise the powers of paying commissions conferred by sub- section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>
6.	<p>(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
7.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
8.	Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
<b>Lien</b>	
9.	<p>(i) The company shall have a first and paramount lien—</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>
10.	<p>(i) 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—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
11.	<p>(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>

12.	<p>(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>
<b>Calls on shares</b>	
13.	<p>(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>(ii) Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>(iii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>(iv) A call may be revoked or postponed at the discretion of the Board.</p>
14.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16.	<p>(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
17.	<p>(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
18.	<p>The Board—</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(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 not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
<b>Transfer of shares</b>	
19.	<p>(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>
20.	<p>The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the company has a lien.</p>
21.	<p>The Board may decline to recognise any instrument of transfer unless—</p> <p>(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>
22.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
<b>Transmission of shares</b>	

23.	<p>(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.</p> <p>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
24.	<p>(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
25.	<p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
26.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
<b>Forfeiture of shares</b>	
27.	<p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>
28.	<p>The notice aforesaid shall—</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(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.</p>
29.	<p>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.</p>
30.	<p>(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>
31.	<p>(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p>
32.	<p>(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(iii) The transferee shall thereupon be registered as the holder of the share; and</p>

	(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33.	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
<b>Alteration of capital</b>	
34.	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35.	Subject to the provisions of section 61, the company may, by ordinary resolution, — (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36.	Where shares are converted into stock, — (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37.	The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, — (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.
<b>Capitalisation of profits</b>	
38.	(i) The company in general meeting may, upon the recommendation of the Board, resolve— (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards— (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39.	(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—



	<p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized; thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>
<b>Buy-back of shares</b>	
<b>40.</b>	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
<b>General meetings</b>	
<b>41.</b>	All general meetings other than annual general meeting shall be called extraordinary general meeting.
<b>42.</b>	<p>(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>
<b>Proceedings at general meetings</b>	
<b>43.</b>	<p>(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p>
<b>44.</b>	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
<b>45.</b>	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
<b>46.</b>	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
<b>Adjournment of meeting</b>	
<b>47.</b>	<p>(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>Voting rights</b>	
<b>48.</b>	Subject to any rights or restrictions for the time being attached to any class or classes of shares, — <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
<b>49.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
<b>50.</b>	<p>(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>

51.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53.	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.
54.	<p>(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>
<b>Proxy</b>	
55.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid
56.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>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</p>
<b>Board of Directors</b>	
58.	The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them
59.	<p>(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>(b) in connection with the business of the company.</p>
60.	The Board may pay all expenses incurred in getting up and registering the company
61.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register
62.	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine
63.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose
64.	<p>(i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p> <p>(iii) * Notwithstanding anything to the contrary contained in these Articles, so long as any money shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities or through Debenture Trustees or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid entities in respect of any financial obligation or commitment of the Company remains outstanding in terms of payment of interest or repayment of principal amount, then in that event any of the said financial institutions or Debenture Trustees or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or</p>

	<p>more persons as Director(s) on the Board of Director as their nominee on the Board of Company in accordance with the applicable laws. The aforesaid financial institutions or Debenture Trustees or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he or she is a member and he or she and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings in accordance with the applicable laws.</p> <p><i>*This clause has been amended by Board of Directors in their meeting held on 15.09.2023 and approved by shareholders vide AGM dated 23.09.2023.</i></p>
<b>Proceedings of the Board</b>	
65.	<p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>
66.	<p>(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>
67.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68.	<p>(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>
69.	<p>(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>
70.	<p>(i) A committee may elect a Chairperson of its meetings.</p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>
71.	<p>(i) A committee may meet and adjourn as it thinks fit.</p> <p>(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>
72.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
74.	<p>Subject to the provisions of the Act, —</p> <p>(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>

75.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, in place of, chief executive officer, manager, company secretary or chief financial officer.
<b>The Seal</b>	
76.	<p>(i) The Board shall provide for the safe custody of the seal.</p> <p>(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence</p>
<b>Dividends and Reserve</b>	
77.	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board
78.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company
79.	<p>(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
80.	<p>(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>
81.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company
82.	<p>(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
83.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85.	No dividend shall bear interest against the company.
<b>Accounts</b>	
86.	<p>(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<b>Winding up</b>	
87.	Subject to the provisions of Chapter XX of the Act and rules made thereunder—

	<p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) 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.</p> <p>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</p>
<b>Indemnity</b>	
<b>88.</b>	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal

<b>CHAPTERS I</b>	
Pursuant to the provisions of the Companies Act, 2013 and Shareholders Agreement signed, the Article of Association of the Company are hereby amended vide the Shareholders resolution dated September 09, 2019. The additional terms and Conditions of Preference Shares and appointment of Directors are hereby added in the Articles and will have same effect as the present Article of the Company	
<b>TERMS AND CONDITIONS OF SERIES A CCPS</b> The Series A CCPS are issued with the following characteristics, including certain rights vested in the holder of the Series A CCPS which are in addition to, and without prejudice to, the other rights of the holders of Pre-series A CCPS set out in the relevant Transaction Documents. The rights attached to the Series A CCPS allotted to Investor under this Agreement and/or under the Shareholders' Agreement are as follows and shall mutatis mutandis be reproduced in the Articles and the reverse of the share certificates Capitalized terms used but not defined herein in this Schedule have the meaning given them in the Shareholders' Agreement	
<b>1.</b>	<b>NATURE</b> (a) The Series A CCPS are cumulative compulsorily and fully convertible preference shares having a face value of INR 10 (Indian Rupees Ten) each. (b) The Series A CCPS constitute direct, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>paripassu</i> and without any preference or priority among themselves and amongst the Pre-series A CCPS. (c) The Series A CCPS holders will be entitled to Series A CCPS free from any rights or claims or other Encumbrances.
<b>2.</b>	<b>EQUITY SHARES</b> The number of Equity Shares to be issued to the holders of Series A CCPS upon conversion shall, subject to the other terms and conditions and adjustments set forth in the Shareholders' Agreement, be as set out in Paragraph 4 below of this <b>Schedule 4</b> .
<b>3.</b>	<b>DIVIDENDS</b> (a) The Series A CCPS shall confer on the Investor the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a preference dividend (Preference Dividend) at the rate of 0.001% per annum on the capital for the time being paid up on the Series A CCPS such Preference Dividend to be paid up on the Series A CCPS during any portion or portions of the period in respect of which the Preference Dividend is paid. (b) The right to Preference Dividend shall be cumulative, and the right to receive the Preference Dividend shall accrue to holders of the Series A CCPS by reason of the fact that the Preference Dividend on the Series A CCPS is not declared or paid in any year. (c) If Preference Dividend has been declared by the Company but has not been paid by the Conversion Date, the Preference Dividend shall be paid to the person(s) who held the Series A CCPS as at the date of declaration pro-rata in accordance with the number of Series A CCPS held by it at the date of declaration. (d) If the Conversion Date falls within a period in respect of which a dividend is to be paid, each Equity Share issued to the holder of Series A CCPS on Conversion shall confer on the holder the right to receive a dividend with respect to all of such period and not part only. (e) The rights of Series A CCPS with respect to capital distribution shall be as provided in the Shareholders'

	<p>Agreement.</p> <p>(f) In addition to and after payment of the Preference Dividend, each Series A CCPS (on an As Converted Basis) would be entitled to participate <i>paripassu</i> in any dividend paid to the holders of Equity Shares.</p>
4.	<p><b>CONVERSION</b></p> <p>(a) The holders of Series A CCPS may convert the Series A CCPS in whole into Equity Shares at any time before 20 (twenty) years from the date of issuance of the same in accordance with Paragraph 5 and subject to adjustments provided in Paragraph 6 of this <b>Schedule 4</b> and other terms and conditions of the Shareholders' Agreement. In the event the conversion of Series A CCPS entitled the holder of Series A CCPS to any fraction of any Equity Share, then such fraction shall be rounded up to the nearest whole number.</p> <p>(b) Each holder of Series A CCPS will, at any time prior to expiry of 20 (Twenty) years from the date of issuance of the same, be entitled to call upon the Company to convert all or any of the Series A CCPS by issuing a notice to the Company accompanied by a share certificate representing the Series A CCPS sought to be converted (Conversion Notice). The Company shall, promptly, and no later than 7 (seven) days from receipt of a Conversion Notice, provide a copy of the same to each of the holders of Pre-series A CCPS. Immediately and no later than 15 (fifteen) days from receipt of the Conversion Notice, the Company shall issue Equity Shares in respect of the Series A CCPS sought to be converted.</p> <p>(c) Upon conversion of Series A CCPS, the Equity Shares issued will, in all respect rank <i>paripassu</i> with the Equity Shares in issue on the date of conversion.</p> <p>(d) On each conversion date, the Company shall: (i) enter the particulars of the relevant Series A CCPS holders in the register of members as the holder of the Equity Shares so allotted; and shall, if the Equity Shares have been dematerialized, take all actions necessary to procure that the beneficial interest in the Equity Shares is delivered through the National Securities Depository Limited and/or Central Depository Securities (India) Limited (as appropriate); (ii) deliver to the relevant holder of Series A CCPS a certified copy of the Company's share register or such other record of the depository (as appropriate) evidencing the entry of the relevant Series A CCPS holders as the holder of Equity Shares so allotted; (iii) the Company shall make the entire requisite statutory and regulatory filings in respect of the issuance of the Equity Shares within timelines stipulated under Law.</p>
5.	<p><b>CONVERSION PRICE AND CONVERSION RATIO</b></p> <p>(a) Each Series A CCPS shall at the option of the Investor, as the case may be, convert into one (1) Equity Share without any additional payment for such conversion.</p> <p>(b) The right to convert Series A CCPS shall be exercisable by the holder thereof at any time during the Conversion Period by delivering to the Company a notice in writing (<b>Conversion Notice</b>) of its desire to convert any such preference shares, provided that such notice shall specify the number of Series A CCPS that the holder desires to convert. Subject to the Conversion Period, Series A CCPS shall automatically be converted into Equity Shares in accordance with this Schedule 4 immediately prior to filing of red herring prospectus of the Company relating to the Qualified IPO (<b>Compulsory Conversion Event</b>). If within 3 (three) months of the Compulsory Conversion Event, the Qualified IPO or Offer For Sale has not occurred, the Company and the Promoters shall ensure that the economic interests and the rights of Investor under the Shareholders' Agreement are preserved in a manner mutually agreeable to the Company, the Promoters and Investor.</p> <p>(c) Conversion of Series A CCPS shall be effected within 60 (sixty) Business Days of the Conversion Notice or on the Compulsory Conversion Event, as the case may be (<b>Conversion Date</b>) by the issue and allotment of fully paid Equity Shares to the holder of the relevant Series A CCPS.</p> <p>(d) The Company shall pay all expenses arising on the issue of the Equity Shares pursuant to any Conversion including any stamp duty, capital duty or other taxes and levies.</p> <p>(e) Equity Shares issued and allotted upon Conversion of any Series A CCPS will be deemed to be issued and registered as of the Conversion Date, and each holder of any Series A CCPS will, with effect from the Conversion Date, be deemed and treated by the Company for all purposes as the holder on record of the relevant number of Equity Shares issued upon Conversion of such Series A CCPS. Simultaneously with the issue and allotment of the relevant number of Equity Shares to be issued upon Conversion of any Series A CCPS, the Company will register the holder of such Series A CCPS as the holder of such relevant Equity Shares in the Company's share register and register of members and will deliver or cause to be delivered a certificate or certificates for such relevant Equity Shares to the holder of such Series A CCPS, together with any other securities, property or cash required to be delivered upon Conversion and such other documents (if any) as may be required by applicable law to effect the issue thereof.</p> <p>(f) Equity Shares issued and allotted upon Conversion of any Series A CCPS shall be fully-paid and free of all liens, charges and Encumbrances and will in all respects rank <i>paripassu</i> with the Equity Shares in issue on the Conversion Date and shall be freely transferable subject only to restrictions in the Shareholders' Agreement and the Articles.</p>

	(g) The terms and conditions stated on the share certificates of the Series A CCPS shall be included herein by reference.
<b>6.</b>	<p><b>VALUATION PROTECTION, NFR ADJUSTMENT AND ANTI-DILUTION ADJUSTMENT</b></p> <p>(a) The Series A Conversion Price for each Series A CCPS shall be adjusted such that the Series A Conversion Price equals the convertible instruments issued in the Next Financing Round consummated by the Company (and if the instruments issued in the Next Financing Round are equity shares, with no convertible instruments being issued, the Conversion Price shall be adjusted so as to equal the issue price of the equity shares) (NFR Adjustment).</p> <p>(b) For the purposes of this Schedule 4, Next Financing Round shall mean and refer to equity financing (whether or not through convertible instruments) at a minimum pre-money valuation equal to 2.25x of the net-worth of the Company on the date of consummation of the Next Financing Round (NFR Valuation) raised from new investors (i.e. other than from the Investor and Existing Shareholders (as defined in Shareholders' Agreement). The Next Financing Round shall be deemed to have been consummated by the Company only if both the following conditions are fulfilled: (A) the terms and conditions with respect to the Next Financing Round are set forth in a signed and binding term sheet and the same is executed within a period of 1 (one) year from the First Closing Date (NFR Execution Cut-Off Date); and (ii) the closing of the Next Financing Round (including receipt by the Company of the relevant amounts pursuant to the Next Financing Round) is completed no later than 14th Business Days from the NFR Execution Cut-Off Date.</p> <p>(c) Failure to consummate the Next Financing Round, will result in a downward revision of the NFR Valuation from 2.25x of the net-worth of the Company on the Final Closing Date to 2.0x of the net-worth of the Company on the Final Closing Date and a corresponding revision in the Series A Conversion Price (Non-NFR Adjusted Conversion Price). The Series A CCPS holders shall be entitled to issuance of additional (bonus) Shares (at no cost) at the Non-NFR Adjusted Conversion Price.</p> <p>(d) New Share = ((Investment Amount/ (Issue Price/2.25*2.00)) - (Investment Amount/ Issue Price)</p> <p>(e) Subject to Paragraph 6(b) above, if the Company issues any Dilution Instruments to a Person other than the Investor, at a price based on a valuation of the Company which is less than 2.25x of the net-worth of the Company on the date of such issuance, the Series A CCPS holders shall be entitled to a broad based weighted average anti-dilution protection as provided hereunder which would enable the holders of Series A CCPS to maintain their shareholding in the Company(Anti-Dilution Adjustment).</p> <p>(f) If an Anti-Dilution Adjustment is to be undertaken pursuant to an occurrence of a Dilution Instrument as aforesaid in Paragraph 6(c), the Series A Conversion Price shall be adjusted (to the fullest extent permissible under applicable Law) in accordance with the following formula:</p> <p>(g) New Share= ((Investment Amount/(Issue Price/2.25*New Valuation multiple))-( Investment Amount/ Issue Price)</p>
<b>7.</b>	<p><b>LIQUIDATION PREFERENCE</b></p> <p>In case of a Liquidation Event, the proceeds from the Liquidation Event (less any amounts required by Law to be paid or set aside for the payment of creditors of the Company, if applicable) (Liquidation Preference Amount) shall be paid or distributed as follows (in priority to any other holders of Dilution Instruments or other Shareholders but inter se on a <i>paripassu</i> with Pre-series A CCPS holders) (Liquidation Preference):</p> <p>(a) In relation to Series A CCPS, the holders thereof shall be entitled to receive an amount (<b>Series A Preference Amount</b>) which is equal to the higher of: (i) the amount paid to subscribe to the Series A CCPS; and (ii) pro-rata entitlement of the Series A CCPS holders on As Converted Basis;</p> <p>(b) In relation to Pre-series A CCPS, the holders thereof shall be entitled to receive an amount (<b>Pre-series A Preference Amount</b>) which is equal to the higher of: (i) the amount paid to subscribe to the Pre-series A CCPS; and (ii) pro-rata entitlement of the Pre-series A CCPS holders on As Converted Basis.</p> <p>(c) The balance of the proceeds, after payment of the Series A Preference Amount and Pre-series A Preference Amount, shall be distributed amongst the holders of other Equity Shares.</p> <p>In the event that the assets of the Company available for distribution do not exceed the amounts necessary to pay the Series A Preference Amount and the Pre-series A Preference Amount, the entire amount so available shall be paid to the holders of the Series A CCPS and the Pre-series A CCPS holders on a pro rata basis. Liquidation preferences is required for series A CCPS.</p> <p>The Parties shall fully co-operate with each other in making the payment of the Liquidation Preference Amount in the order and manner provided above.</p>
<b>8.</b>	<p><b>VOTING RIGHTS</b></p> <p>(a) Subject to the provisions of the Act and other applicable Law, each holder of a Series A CCPS shall have the same right to attend and vote at general meetings of the Company as are available to holders of Equity Shares, determined on an As Converted Basis.</p>

	(b) In the event that the voting rights of holders of Series A CCPS (as described in Clause 1 above) is or becomes unenforceable under applicable Law, then, until the Conversion, the Promoters shall vote in accordance with the instructions of Investor at a general meeting of the Company or provide proxies without instructions to the Investor for general meetings of the Company, to the extent of the percentage of Equity Shares that Investor would have held had Investor elected to convert the Series A CCPS into Equity Shares in accordance with terms and subject to the conditions as contained in this Agreement (including for the avoidance of doubt the terms and conditions of the Series A CCPS).
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## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been 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 or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the Registrar of Companies for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our V29/11 A, DLF Phase III, Gurugram, Haryana - 122010., between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of the Red Herring Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material contracts for the Issue

1. Offer Agreement dated August 06, 2024 between our Company, Selling Shareholders and the Book Running Lead Manager.
2. Registrar Agreement dated August 06, 2024 between our Company, Selling Shareholders and Registrar to the Issue.
3. Underwriting Agreement dated [●], 2024 amongst our Company, the Underwriter, Selling Shareholders and the Book Running Lead Manager.
4. Market Making Agreement dated [●], 2024 amongst our Company, Market Maker and the Book Running Lead Manager.
5. Share escrow agreement dated [●], 2024 entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
6. Bankers to the Offer Agreement dated [●], 2024 amongst our Company, the Book Running Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.

#### B. Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated August 05, 2024 in relation to the Issue and other related matters.
3. Shareholders' resolution dated August 06, 2024 in relation to the Issue and other related matters.
4. Certificate of registration dated October 20, 2001 issued by the RBI, allotting registration number B-14.02500, pursuant to which our Company (under its erstwhile name, 'Sona Finance Private Limited') was registered as an NBFC under Section 45-IA of the RBI Act.
5. RBI endorsement on our certificate of registration dated October 20, 2001 granting NBFC-MFI status to our Company with effect from April 18, 2018
6. Revised certificate of registration dated October 20, 2001 by RBI reflecting the change of our Company's name to Mitrata Inclusive Financial Services Private Limited, with effect from February 25, 2019.
7. Revised certificate of registration dated October 20, 2001 by RBI reflecting the change of our Company's name to Mitrata Inclusive Financial Services Private Limited, with effect from August 30, 2024.
8. Consents of our Promoters, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Peer Reviewed Auditor, Book Running Lead Manager, Legal Advisor to the Offer, the Registrar to the Offer, Underwriter to the Offer, Bankers to our Company and Market Maker as referred to in their specific capacities.
9. The examination report dated August 05, 2024 on Restated Financial Statements of our Company for the Financial Year ended March 31, 2024, Financial Year ended March 31, 2023 and Financial Year ended March 31, 2022, included in this Draft Red Herring Prospectus.

10. The statement of possible special tax benefits dated September 03, 2024 issued by Peer Reviewed Auditors of our Company, as disclosed in this Draft Red Herring Prospectus.
11. Certificate dated September 03, 2024 issued by R Gopal & Associates., Chartered Accountants, certifying the KPIs of the Company.
12. Resolution dated September 02, 2024 passed by the Audit Committee approving the KPIs for disclosure.
13. Tripartite agreement dated March 30, 2024 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
14. Tripartite agreement dated October 23, 2019 amongst our Company, National Securities Depository Limited and Registrar to the Issue.
15. Agreement for Sale of Shares date June 23, 2016, executed between Venkateswaran Nagarajan and Dr. Aqueel Ahmed Khan.
16. Shareholders' agreement dated September 21, 2019, executed between Company, Farah Siddiqui, Dr. Aqueel Ahmed Khan, Prabhakar Rawat, Bindiya Rawat, Prakash Layak, Manas Bhattacharya, Mohd. Saleem Siddiqui, Asha Rai, Sarojini Kongadi, Mukti Kerkatta and Anjum Ara.
17. Securities Subscription Agreement dated September 21, 2019, executed between Company, Farah Siddiqui, Dr. Aqueel Ahmed Khan and Prabhakar Rawat.
18. Share Subscription Agreement dated December 12, 2019, executed between Company, Sumit Mittal, Dr. Aqueel Ahmed Khan and Prabhakar Rawat.
19. Share Subscription Agreement dated December 18, 2021, executed between Company, Ask training and Learning Private Limited, Dr. Aqueel Ahmed Khan and Prabhakar Rawat.
20. Share Subscription Agreement dated January 25, 2023, executed between Company, Ask training and Learning Private Limited, Dr. Aqueel Ahmed Khan and Prabhakar Rawat.
21. Addendum to the Shareholders' agreement dated August 06, 2024, executed between Company, Farah Siddiqui, Dr. Aqueel Ahmed Khan, Prabhakar Rawat, Bindiya Rawat, Prakash Layak, Manas Bhattacharya, Mohd. Saleem Siddiqui, Asha Rai, Sarojini Kongadi, Mukti Kerkatta and Anjum Ara read with wavier letter.
22. Copy of approval from NSE vide letter dated [●] to use the name of NSE in this Draft Red Herring Prospectus/ Red Herring Prospectus/ the Prospectus for listing of Equity Shares on Emerge Platform of NSE India.
23. Due diligence certificate shall be submitted to SEBI by Book Running Lead Manager to the Issue.
24. Copies of the audit report of our Company for the Financial Year ended March 31, 2024, Financial Year ended March 31, 2023 and Financial Year ended March 31, 2022.
25. Consent letters received from the following shareholders for participation in the Offer for Sale:

Sr. No.	Name of the Selling Shareholder	Date of the consent letter
1.	Farah Siddiqui	August 06, 2024
2.	Prakash Layak	August 06, 2024

26. Board Resolution dated September 03, 2024 for the approval of this Draft Red Herring Prospectus, dated [●], 2024 for the approval of Red Herring Prospectus and dated [●] for the approval of the Prospectus.
27. Resolution of our IPO Committee dated September 03, 2024 approving this Draft Red Herring Prospectus.
28. Affidavit dated September 03, 2024 furnished on behalf of our Company
29. Application dated August 06, 2024, submitted by our Company to the RBI seeking prior approval in relation to the Offer.
30. Certificate dated September 03, 2024 issued by R Gopal & Associates., Chartered Accountants, with respect to the share-capital build-up of our Company.
31. Search report dated August 06, 2024 prepared by SNK Associates, independent practicing company secretary, and their certificates dated August 27, 2024 and September 03, 2024.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

### **DECLARATION BY DIRECTOR**

I, Dr. Aqueel Ahmed Khan, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as Chairman and Managing Director, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Dr. Aqueel Ahmed Khan**

**DIN:** 01069477

**Date:** September 03, 2024

**Place:** Gurugram

### **DECLARATION BY DIRECTOR**

I, Prabhakar Rawat, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as Whole-Time Director, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Prabhakar Rawat**

**DIN:** 08058695

**Date:** September 03, 2024

**Place:** Gurugram

#### **DECLARATION BY DIRECTOR**

I, Mohandas Dasari, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as Non-Executive Independent Director, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Mohandas Dasari**

**DIN:** 05105936

**Date:** September 03, 2024

**Place:** Bengaluru

### **DECLARATION BY DIRECTOR**

I, Mathew Titus, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as Non-Executive Independent Director, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Mathew Titus**

**DIN:** 00159636

**Date:** September 03, 2024

**Place:** Delhi

### **DECLARATION BY DIRECTOR**

I, Everardus Mauritius Trudo Ludding, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as Non-Executive Independent Director, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Everardus Mauritius Trudo Ludding**

**DIN:** 10049475

**Date:** September 03, 2024

**Place:** Deventer, Netherlands



### **DECLARATION BY DIRECTOR**

I, Achla Savyasaachi, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as Non-Executive Independent Director, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Achla Savyasaachi**

**DIN:** 10671226

**Date:** September 03, 2024

**Place:** Gurugram

#### **DECLARATION BY CHIEF FINANCIAL OFFICER**

I, Sumit Mittal, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as Chief Financial Officer, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Sumit Mittal**

**PAN:** AVYPM6598G

**Date:** September 03, 2024

**Place:** Gurugram

#### **DECLARATION BY SELLING SHAREHOLDER**

I, Farah Siddiqui, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Farah Siddiqui**

**Date:** September 03, 2024

**Place:** Delhi

#### **DECLARATION BY SELLING SHAREHOLDER**

I, Prakash Layak, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Draft Red Herring Prospectus about or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholders or any other persons in this Draft Red Herring Prospectus.

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**Prakash Layak**

**Date:** September 03, 2024

**Place:** Gurugram